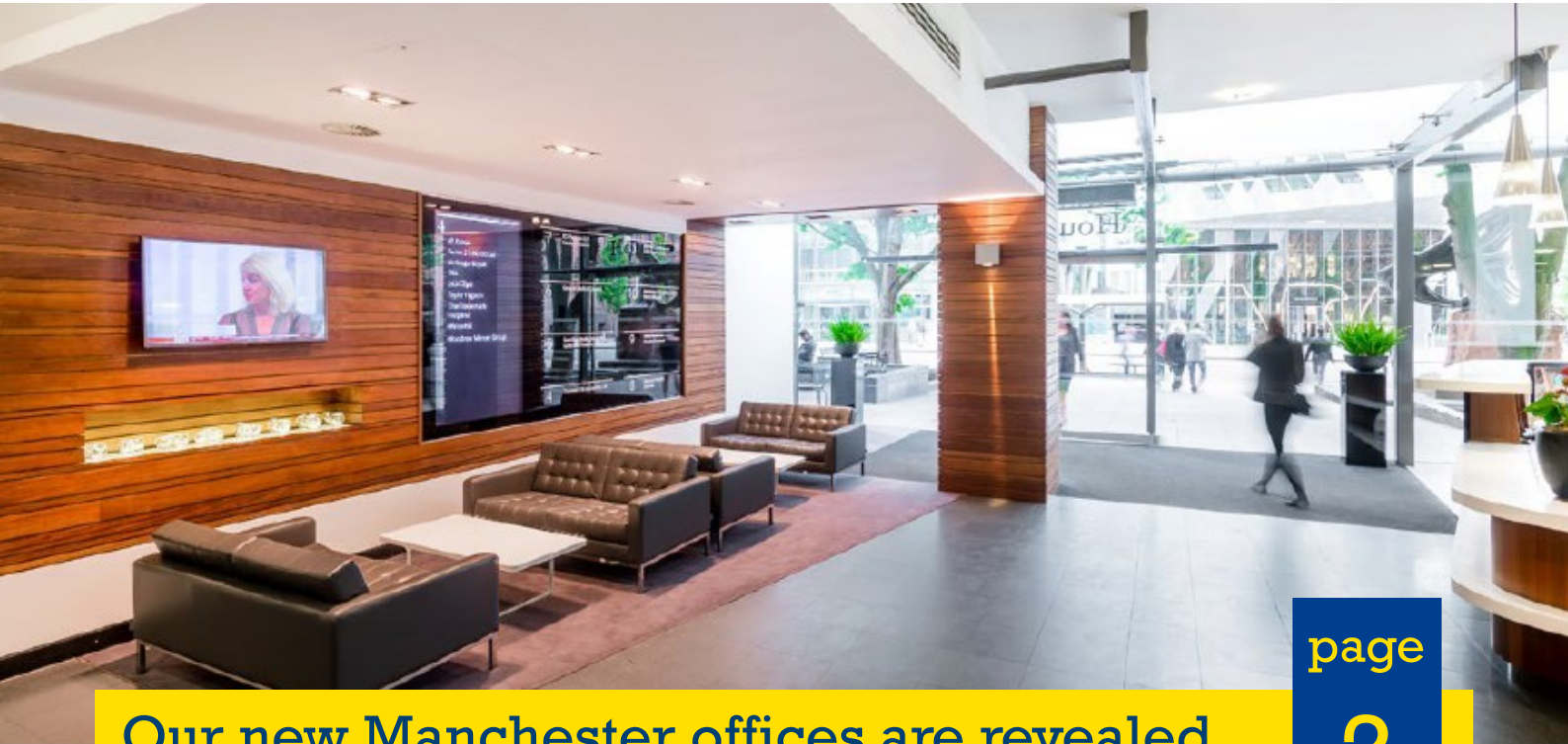


perception

The quarterly review from Parkinson



page

2

Our new Manchester offices are revealed

Brexit, Trump or the Northern Power House - we're not sure which was the biggest influence, but we've moved into our new tower!



page

5

Neil Higson gives us his insight in our quarterly update



page

6

Mark Smith discusses why Manchester really is the place to be



page

7

How to make sure your assets are prepared for winter

WELCOME

Parkinson moving with the times



We've moved into our new offices on Deansgate, Manchester to help support the needs of our corporate city centre clients.

The new offices are just a short move across the city from our previous Lowry House location to Centurion House. The move is part of our current development plans and to support our ongoing expansion. You'll find the building opposite the Spinningfields

continued growth within Manchester and it allows us to service our corporate clients based in the city as well as across other UK sites. In recent months we have seen our reach expand and have been successful in winning instructions for clients operating in North Wales, Northern Ireland, Yorkshire, Derbyshire and Staffordshire.

Manchester is definitely booming as part of the much publicised Northern Powerhouse and is the centre for this wave of activity. Our new offices are integral to Parkinson reaffirming our position

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“Manchester is definitely booming”

THE NORTHERN POWERHOUSE

“Our new offices are integral to Parkinson reaffirming our position as a significant force in the North West commercial property market.”

business district and is minutes walk from Albert Square and the Town Hall.

These new premises support our

as a significant force in the North West commercial property market.

New appointments



company's offices in Manchester city centre.

Due to the significant uplift in business and an increase in quality instructions we are winning across Manchester, it's key that we develop our presence in the city. Our new larger offices, the two new roles and the requirement to attract even more high calibre people into the organisation, makes it a very exciting time for Parkinson.

Mark has consistently proven over a number of years that he values high levels of client satisfaction as well as being a natural leader. His promotion is a fitting way to ensure we fulfil our ambitious plans in the North West.



Neil Higson has been appointed as an Associate Director. He joins from the

Manchester office of Gerald Eve having previously been Associate Director at Nolan Redshaw.

A chartered surveyor with a BSc in Estate Management, Neil has a wealth of experience and specialises in investment acquisitions and disposals throughout the UK. Neil will be based at the company's Manchester offices.

Neil strengthens and helps to broaden the scope of the business. His arrival is a significant event and the ability to secure the services of such a respected investment agent, shows the progress we have made over the last 5 years.

Mark Smith has been appointed to the position of Director. Having

joined Parkinson in 2007 with a BSc in Property Management and Investment, he qualified as a chartered surveyor and became an Associate Director in 2011. Mark will continue his activity in the Valuation department of the business and is leading the introduction of new client focused initiatives. Mark operates from the



RICS



Jeffrey Matsu
Senior
Economist
(RICS)*



Given the significant downgrades to consensus forecasts since

the referendum to exit the EU, it was almost a foregone conclusion that the OBR would follow suit and present the new Chancellor with a materially weaker set of economic projections.

While GDP growth is expected to be fractionally stronger in 2016 than envisaged at the time of the March budget (2.1% versus 2%), the outlook for 2017 and 2018 has been revised down significantly to 1.4% and 1.7%, respectively.

Thereafter, the forecast remains unchanged from the Spring Budget and, come the end of the forecast horizon, the economy is anticipated to be 2.4% smaller than if growth had tracked the OBR's earlier estimates.

Uncertainty

The rationale behind the outlook being revised weaker is well recognisable. Uncertainty

engendered by the Brexit vote is set to weigh on investment as the world waits to see the type of trading relationship the UK negotiates with the EU.

The Autumn Statement provided fresh insights into exactly how damaging the OBR deems this uncertainty will be to investment. According to the OBR's latest assessment, business investment is expected to fall by 2.2% in 2016 and to decline further, albeit modestly, during 2017.

In fact, forecasts for annual growth in business investment have been cut in each year through to 2020. As a result, the OBR anticipates just an 11% cumulative increase in business investment between 2016 and 2020, markedly lower than the 26% rise it expected at the Spring Budget.

Higher inflation

In addition, higher inflation, driven by the sharp depreciation in sterling since 23 June, is thought likely to dampen consumer spending beyond this year.

Headline consumer price inflation is now projected to exceed the Bank of England's 2% target through next year, peaking at 2.5% in 2018. Consequently, real wage growth is set to stagnate in both 2017 and 2018 contributing to a percentage point reduction in previously anticipated household spending growth in each of the next two years.

Fiscal mandate

The new fiscal mandate adopted by the Chancellor is significantly looser than the one set by his predecessor – Mr Hammond aims to reduce the structural deficit to less than 2% of GDP by 2020-21 and have net government debt as a share of GDP falling by this time.

Philip Hammond, however, has left much of the significant austerity to the latter years of this parliament, and due to the deterioration in the outlook for public finances there is still substantial work to be done in these latter years to meet his targets.

Weaker forecasts for wage growth

The most significant contributor to the deterioration in the outlook for borrowing is the weaker forecasts for wage growth (which we thought looked ambitious in March, even before the Brexit vote), which will reduce income tax receipts by £67 billion in the years to 2021.

Over this horizon, net borrowing is now forecast to be £122 billion higher than previously estimated. Combined with a weaker GDP growth profile, this has pushed the forecast for net debt as a share of GDP up to 84.8% by 2021, from 74.7% previously.

The debt-to-GDP ratio is now expected to peak in 2017-18 at 90.2%, which contrasts with the steady decline that the OBR assumed at the Spring Budget.



Comment



As the newest member of the team here at Parkinson, Neil Higson gives us

his vision of the future...

Following the Brexit decision there was an initial pause for breath as property investors, fund managers and agents took stock - but only for a very short time! Agents in fact carried on and forever the optimists, looked for opportunities.

The Brexit decision was a surprise, but the market was starting to slow down before the referendum. Whether it was a slowdown in anticipation of the result or just a cyclical correction starting to take the heat out of the market is unclear. Noticeably in the regions where investors had previously flocked to find value, they were now facing similar yield levels on prime assets to those in the capital and in the second city.

The market however is back on a positive footing again and I feel that this will remain for some time. With commercial property, if the fundamentals are there to do a deal, then do a deal.

In 2017 I believe that there will be more joint ventures with local authorities, land owners and property developers due to the fact that development costs for multi-let industrial stock is high and makes appraisal viability difficult. A joint venture removes the competitiveness from the land input and allow developers economies of scale on larger sites where they will benefit from exclusivity.

...with commercial property, if the fundamentals are there to do a deal, then do a deal.

With a fragile stock market and low bond rates, 2017 will continue to be positive for commercial property. Yes, there will be an element of caution, but there always should be when making an investment decision.



Why Manchester is the place to be



Rental demand coupled with high yields and a growing population, ensures

Manchester is one of the most thriving cities in the UK. This is despite the predicted slowdown following the decision to leave the European union and demonstrates the success and continued economic growth generated by the Northern Powerhouse strategy.

In fact, Manchester is currently one of the most progressive cities on the planet with a population estimated to grow by 128,000 over the next decade. With 100,000 jobs being created during the same period it will ensure an increased demand for both office and residential property across the whole of Greater Manchester. From our conversations with clients, it appears all are on recruitment drives and encouraging talent from far afield into the city. Whilst the South East continues to outperform

the rest of the country, Manchester is certainly bucking the trend and attracting a great deal of private sector growth.

Recognised as being the most stable and best performing property market outside London, the amount of new developments shows developers and investors are full of confidence. Office demand is the city is outpacing supply and the confirmation of HS2 coming to Manchester, has been yet another contributing factor in the uplift in pre-let figures on new developments currently under construction. If the number of cranes visible in the skyline has anything to go by, then the view from our Centurion House offices is testament to the current boom as they rise in the sky, as far as the eye can see.

The investment in modernisation of the local transport has also given the city a huge boost. The Metrolink tram system is responsible for

bringing more and more people from the surrounding areas into the city to work and shop, with journey times and convenience being key to its success. Footfall in the city is up year on year, with the 2016 Christmas markets being judged amongst the best in Europe, beating off competition from the likes of Birmingham and London - in fact, the only UK city to be included in the top 20 list! Retail and leisure are certainly proving successful within the city centre.

Is Manchester the new London? Well, we still have some way to go to gain that status, but investment, modernisation, retail, nightlife, leisure and tourism are all certainly ensuring that as a city we are booming and not only encouraging people to remain here, but also attracting a whole new wave of talent to move in.

Welcome to Manchester!



Winter property management



Looking after your properties during the winter months is of paramount importance if you want to protect

the value of your assets.

Here Graham Bartlett tells us what we need to look out for.

Being prepared for poor weather is always advisable and can help ensure that your staff, or in the case of commercial landlords your tenants, are safe, secure and without unwanted surprises.

Now is the time to check everything from the smooth running of heating systems to the free flowing of



gutters and downpipes and setting a date for thoroughly clearing out

the guttering following all those leaves that have collected during the autumn - this will ensure heavy downpours do not cause avoidable problems!

Undertaking the final maintenance of landscaping, foliage and tree coverage is important before the weather deteriorates and remember to fill up those salt bins to ensure all your occupants are protected against frozen yards, pathways and car parks.

Parkinson work with a network of local and regional contractors who carry out routine maintenance inspections and these should form part of a well organised and planned annual property maintenance programme. This will help you to avoid those costly emergency callouts to remedy problems that have arisen from not looking after your valuable assets.

If any advice is required on this subject then please do not hesitate to contact the management team based at our Wigan Office.



...don't forget to fill up those salt bins to ensure all your occupants are protected against frozen yards, pathways and car parks.

Featured agency instruction



**Units 2 & 3
Sutton Fold
St Helens
WA9 3EX**

The properties, built in 2003, are located on the Sutton Fold Industrial Estate accessed off Lancots Lane 2.5 miles south of St Helens town centre. Offering easy access to the motorway network via Junction 7 of the M62 and Junction 23 of the M6.



- Steel portal frame construction with insulated clad elevations and roof
- Twin skin translucent roof lighting
- 7m eaves height
- Full height roller shutter door 5.35m x 3.29m
- AmbiRad flued gas warm air heater in the warehouse
- Low bay lighting throughout.

Excellent specification two storey integral offices providing:

- Reception
- Administration offices
- Meeting room
- WC and kitchen
- Gas central heating

A mezzanine in unit 2 is available by separate negotiation.

Large concrete yard offering ample car parking and loading/access facilities

The entire site is enclosed with a steel post and mesh security fence



incorporating door access gates.

For more information or to arrange a viewing email us at: enquiries@parkinsoncpc.com



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