

# NEWS LETTER

## LLANRWST RETAIL HOLDING UP

Prime retail space in Y Sgwar remains fully occupied and traders report reasonable turnover. The Log Cabin is for sale but not finding a buyer. Llanrwst's reputation as a place to find unusual high quality furniture and furnishings and well priced electrical goods indicates a rather higher disposable income than reputation and government statistics might suggest.

Personal service standards are also high and many valley people very much enjoy that shopping experience which is often not offered on the coast.

There is a shortage of large floor plan buildings except in the pub sector where the surplus may well lead to pressure for change of use to offices or retail. Drinking space for a small population is clearly oversupplied, and while prices per square metre are falling, it is still not enough. The effect of a lower cost base for one pub in a town can clearly be seen in Conwy where a recapitalisation at the Mail Coach has led to lower priced beer and a transfer of loyalties. In Llanrwst a similar recapitalisation has taken place at Llewelyn's (formerly The Albion) and there will be one eventually at the Pen y Bont. Again, expect competition from lower cost premises to make life difficult for other outlets..



Vacancy rates in Watling Street and Station Road are high, holding down rents all over town.



A new business has opened at the Old Widershins (above left) and a great gift shop is trading well (above right).

The flower shop in Station Road is for sale as a going concern at an attractive price..

# EPC's

## What is an EPC (Energy Performance Certificate)?

Energy Performance Certificates (EPC's) are the Government's chosen way of complying with the Energy Performance of Building Directive (EPBD). Its purpose is to record how energy efficient a property is. The certificate provides a rating of the energy efficiency and CO2 emissions of a building from A to G, where A is very efficient and G is very inefficient.

EPCs are produced using standard methods with standard assumptions about energy usage so that the energy efficiency of one building can easily be compared with another buildings of the same type. This process can be misleading for buildings with solid stone walls.

An EPC is always accompanied by a recommendation report that lists cost effective and other measures to improve the energy rating of the building. The certificate is also accompanied by information about the rating that could be achieved if all the recommendations were implemented. The major items are rarely cost effective unless the works are required anyway, such as new window frames.

Trading standards officers have the power to see the document trail for epc's which are required for the sale or letting of residential and commercial property. We have had a recent courteous visit to our Caernarfon office.

An epc must be commissioned before marketing starts, and there must be an epc in existence within seven days of start of marketing using "reasonable efforts" and a maximum further twenty one days. If, despite your best efforts, you have not got one by then, the property must be taken off the market.

The document trail inspection powers are extended to agents, so the agent is no longer able to direct the trading standards officer to the vendor, who may live outside the area, or be out of work during normal working hours.

At some time in the future sales and letting particulars will have to be accompanied by a single A4 sheet depicting a reduced epc which few will read and fewer still will take any notice of.

An epc is not required for: places of worship, temporary buildings with a planned use of less than two years, stand alone buildings with a total useful floor area of less than fifty square meters that are not dwellings, industrial sites, workshops and non residential agricultural buildings with low energy demand and buildings due to be demolished.

## SEPTIC TANKS

As part of the government's drive to reduce red tape and make life easier for us all, all owners of septic tanks now have to register with the Environment Agency. You have to have a registration by 31st December 2011, no matter how old the system is.

There is a fine (or a tax) of up to £20,000 for an illegal polluting discharge.

Most households will be exempt and registration is free. You can register online. If you discharge into a river or stream but discharge less than two cubic metres a day (an eight bedroom house) you should be able to obtain an exemption, but you have to apply immediately. If you discharge to ground, you have a little longer. There are, of course, expensive conditions to follow, including inspection, record keeping and removal of excess sludge (usually once a year).

Rumour has it there has been no publicity about this change in the law because the Environment Agency cannot cope with the numbers. Posted 29th July 2011

## *Small Business Rates Relief*

*WAG have decided to extend small business rates relief to October 2012 which effectively means small premises pay no rates and all premises up to a rateable value of twelve thousand pounds get some relief on a sliding scale.*

*This subsidy is fairly easy to administer and very popular with small businesses.*

*Many small businesses do not realise that rates are simply a percentage of the rent they would pay on*



*The credit crunch is ongoing as far as many businesses are concerned, but some, with strong management and price control and friendly helpful staff are thriving.*

*The future of some of our retailers, hotels, restaurants, cafes and service providers may be rocky and only the best will do well. Other buildings will see a change of occupier.*

*It remains difficult to get bank loans, but small scale personal loans, suitable for many businesses, are fairly easy to obtain and require no security and no expensive set up costs.*

## Porthmadog Retail

There are two prime units vacant and available and one is available but trading and one more is about to enter the market.. Number 124 is on the market to let with us at a rent of nine thousand pounds. The Old Fifth Element shop is on the market .

One Stryd Fawr has opened as a bric a brac emporium.

The former butchers in Bank Place is still available, but trading in bric a brac for the time being, and there are two more currently vacant. Bank Place is starting to look down at heel. The former butchers in New Street is now dealing in another sort of gold to the price of lamb chops. We are confident all properties will go when properly marketed at the right price.

The Old Ship and Castle is refurbished but still looking for a tenant as a pub. The rent will have to be low! The opportunity has been missed to give us an iconic metal and glass design respecting the current architecture, but taking us to 2075.

The Australia is also on the market to let after yet another refurb. It certainly looks a lot better, as our photo shews.

Kerfoots have been refurbished and re-opened to great acclaim. It's such an excellent outlet and just the sort of quirky different shop people come to Port to find..



A Weatherspoons would further strengthen the Tesco end of town; values are firm but not rising. And that is the key to the prosperity of Porthmadog – private traders paying rents they can afford to reasonable landlords. Its unlike other North West Wales towns in having few National Retailers, low vacancy rates and reasonable rents.

We have no interested parties in any of the retail units we have on the market, a most unusual market. Porthmadog is being hit by the same factors that have already increased vacancy rates in other towns. Rents will continue to fall and vacancy rates to rise. As rates have to be paid on empty shops and small business rate relief is available if they are occupied, expect more landlords to open temporary businesses.

Posted 5th October 2011

## Drains

New law has brought the ownership of private sewers and lateral drains into the ownership of Dwr Cymru and their various managers (often local authorities.)

Private drains serving only one property and within the boundary of that property remain in private ownership.

If there is a private pumping station serving a network of drains and sewers connected to sundry properties in separate ownership the date of ownership transfer is delayed until 2016.

There is no change if you have a cess pit or septic tank, or for drains carrying water directly to a water-course. No change either for drains and sewers on multi-occupancy sites but within a single curtilage, ie caravan sites, hotels, boarding houses, commercial buildings, industrial and business estates, schools, university and college campuses, hospitals, stations, ports. flats etc.

It means that if there is a fault on a pipe in your garden which used to be private and is now public that Dwr Cymru or their agent can dig up your garden or drive as they wish.

Posted 7th October 2011

## Cyngor Gwynedd Sells

*Cyngor Gwynedd has an active programme of disposals from its substantial property holdings as it yields to pressure from WAG and its own Councillors to find savings to protect front line services.*

*Business tenants of its yards, buildings (old and dilapidated to modern and useful) are being approached to see if they can raise the funds to buy and vacant units are being placed on the open market.*

*The problem then is to find the finance to buy them Some banks are*

## Sale by Auction

Fancy selling quickly? Auctions could be the route for you. A sale is guaranteed provided your reserve price is low enough

Auction sales cost more in fees, and you may not get the price you want. .

We recently introduced a purchaser for a house with an offer at £48,00. This was rejected as being too low and the vendor went to auction instead of a sale by private treaty..

The property sold at £48,000. After fees, the vendor is worth off in money, but better off in certainty..

## Conwy Sells?

All local authorities are under great pressure to find money and they often own a lot of commercial property built originally as a political tool of then public policy but now largely relegated to the role of a voter free source of income.

One area is small agricultural holdings set up to start young people in agriculture, Conwy have thirteen of these, many needing capital expenditure by Conwy for their upkeep. Given the capital value of a small holding, we must be looking at five million pounds worth of assets .

Conwy are reluctant to sell because the holdings give local councillors the power of patronage and bosses more people to boss and so higher wages. Bet the costs of running the farms exceeds the rental income.

Posted 1st March 2011

## COLWYN UPGRADE

*22 Station Road (formerly trading as Cooltrader) has been sold at auction for £225,000 to Conwy Council.*

*This unit is identified in the Colwyn Bay masterplan as the site of a link between Station Road and Doy Street. There's a further link proposed between Doy Street and Sea View Road intended to come out opposite the precinct. We wonder if Conwy is in the market for this unit as well.*

*There are too many retail units in Colwyn Bay and not enough car parking right in the centre. Demolish Station Road and build a car park with a larger precinct;*

## Gas Death

A fitter has been charged with manslaughter after a young woman died of carbon monoxide poisoning while taking a shower. The source of the gas is alleged to be a faulty gas boiler.

Landlords can also find themselves facing charges for breaches of the Gas Safety Regulations and the Common Law. We urge the fitting of carbon monoxide detectors and, better still, the removal of all gas services to a let dwelling as part of an comprehensive upgrade on insulation against loss of heat.

No gas means no annual Gas Safety Test, no annual maintenance bills, no replacement of parts or whole units, and fewer risks.

Tenants like to see gas central heating as they think it is cheaper than electric. Tenants who see the property is well insulated are happy to learn they will have only one standing charge to pay and only one bill.

Night storage heaters need some back up for colder days, but excellent insulation means smaller night storage heaters (and so cheaper). We have a few properties with new thermostatically controlled water filled electric radiators on a standard tariff. Tenants seem happy with them.

Posted 1st March 2011

## Letting Insulation

The government's Green Deal encourages landlords to take advantage of up front financing to make their properties more energy efficient, where tenants request improvements.

The government has stated it may introduce regulation to force landlords to improve their properties by 2015.



The government's aim is for lettings' energy grades to be better than F.

Landlords can consider *cavity wall insulation*—this is good, but we do not recommend it for houses exposed to high winds and rain as resulting cavity wall tie failure can be the least of a building's consequent problems.

*Cavity floor insulation*—Easily done if you've got an undercroft or cellar, or you're replacing the floor boards;

*Loft insulation*—Easily done, even if stuff in the loft has to be removed or hatches cut. By far the best investment you can make, and can be free.

*Insulate water fittings*—Easy.

*Prevent drafts*—Easy.

*Boiler and radiator thermostats*— Easy.



*Solid wall insulation*—Can cause condensation problems in the wall. Can be fitted outside if the eaves overhang enough. Inside fitting can be expensive unless other major works are being done. We've arranged for the fitting of "Sempatap" to one let house with condensation problems. The product is a thin wall insulate which goes on like wallpaper and its then papered over to choice. It's a bit too early to be sure it's effective but it has worked well through last winter. The tenant is pleased with the efforts of the landlord to solve the problem.

Tax allowance of up to £1,500 is available for some of the above through the Landlord's Energy Saving Allowance (LESA).

You will be wondering why we have not mentioned double glazing. The reason is that the rate of return on double glazing is very low and it cannot be justified unless the windows need replacing anyway. Having said that, tenants like it, not least because it's more secure. Note, however, some double glazing is very poor quality.

Posted 29th June 2011

VACANT



## PROPERTIES WITH CRACKS & DAMP

Bob Parry Estate Agents always advise that when buying a property, you should get a survey.

Buyers view properties with us on a day to day basis and damp is a constant concern for them. 90% of properties in the area are of stone built, are more than 100 years in an area of high rain fall. Most of them will have damp, however there are ways of controlling damp which are not that expensive

Cracks in walls are another source of worry; buyers often think the property is about to fall down when there is the slightest crack in a wall; these are often caused by settlement and nothing to worry over. However do check with a surveyor, preferably ours.



## Closure of public houses

If you're a pub goer, you are often helping to pay the astonishing rents demanded by the owners based far away in England. The high rents are unsustainable and are the cause of the constant closures, loss of operators, and poor service and ambience. We recently sold a lease on a pub in the Blaenau area and the rent alone was £500 per week. That's a lot of £3.20's, that's nearly 160 pints that have to be sold every week just to pay the rent. Then there is rates, electric, gas, wages etc. Also its no help at all that the super-markets can sell you 24 cans of lager for £10.

The Manod Hotel in Blaenau is for sale freehold at £175,000 which for the size of the building seems a bargain. Way too much when the Commercial has found a new occupier at much lower figures with a private local landlord.

Or you can buy The Kings Head in Tanygrisiau for £239,950 which is a freehold and the only pub in Tanygrisiau with living accommodation.

We have the White Horse near Llanrwst for sale at around £200,000 ready to reopen. You can choose to go to two others with a substantial food offer and rooms to let with good carparking. Lower capital values means that money can still be made.

Posted 27th June 2011

# Deposit Registration

Landlords and Tenants and their advisors have all thought a deposit had to be registered within fourteen days of payment. If registration was not made, the penalties for landlords were expensive.

Now several Court of Appeal cases\* have been heard, and the situation now appears to be that a landlord can place a deposit later, but placing a deposit after a tenancy has ended is a very high risk strategy as the law is not clear about that timing.

It is certainly true that Tenants like to see a deposit confirmed as soon as possible, and a happy tenant is a good one.

We recommend placing a deposit as soon as payment has been cleared so as to encourage a good tenant/landlord relationship.

The Localism Bill currently before parliament will probably be amended to remove the late protection loophole\*\*. It's not certain any amendments will survive, but the government is showing signs of providing its backing and so the changes will probably become law. We will then be back where we thought we were in the first place

Another change is that the fixed 3 times the deposit penalty may be changed to the return of the deposit in full plus a variable sum not less than the deposit, but not more than triple it, depending on the actual sequence of events and the attitude or reasons of the landlord.

The consequence will be that tenants will find it far easier to get their deposits protected.

The difference between the number of let properties in the private sector and the number of deposits held by the three national depositaries is very substantial indeed, suggested large numbers of properties are either being let without a deposit or landlords are holding onto them.

We use the Deposit Protection Service, which is free, but does not pay interest. It is very efficient and helpful.

When landlords and tenants argue over the return of the deposit at the end of the tenancy the usual source of the disagreement is over gardening/cleanliness, which one person's idea of what is acceptable being different from another. Perhaps there would be less argument and bad feeling if landlords and tenants had to pay to have their dispute resolved by a third party. A non returnable charge of one hundred pounds each might concentrate minds on the bigger picture.

\**Honeysuckle Properties V Fletcher and Others; Tiensia V Vison Enterprises Ltd (t/a Universal Estates).*

\*\* *Draycott v Hannells*

## Town Centres Obsolete

Holyhead and Colwyn Bay exhibit the same economic symptoms of decline, repeated huge local authority expenditures on street furniture and pavings and tiles on shop front. These expenditures ignore the elephant in the room, the presence of competition.

The retail park at Holyhead is growing fast. It offers what shoppers want, good choice, low prices and free parking. Access is straight off the A5 and the A55. It is full of shoppers even on hot summer mid week afternoons. The centre of Holyhead has very few shoppers at the same time.

Ynys Môn agrees that the present huge expenditures in the town centre will not achieve much. The Council rightly allowed and encourages the retail park. If it had not the money would have gone to Bangor. It now has to facilitate the transformation of the town centre. It should encourage conversion of half the shop units to flats and house by means of substantial grants. It should use CPO powers to buy poor buildings and demolish them to open up a three acre site by the old Market Hall.

Conwy has the same problem in Colwyn Bay where there are too many shops. CCBC are tentatively using CPO powers, but it's simply too timid. Again, a three acre sized cleared site is required at the market hall, railway station, and present shops.

And to act as a draw for each three acre plot? A Waitrose or a Sainsbury or a Booths. And a Premier type hotel. And free car parking and too much of it.

Colwyn Bay has sunk fast to reach the same status as Holyhead, but it will get worse. Llandudno has excellent retail provision just outside the town centre with the same recipe for success: free parking, good choice in large units, keen prices, pleasant ambience. The Colwyn Centre is good, but nowhere near big enough and nowhere to go to expand without CPO help.

The private sector has to go for edge of town as that is where sites can be found that are large enough and where site assembly without CPO powers is at least a reasonable prospect. If town centres are to be revived they need large units with free parking offering people what they want.

It's difficult to find somewhere to park at Waitrose at Menai Bridge (not something that could be said of the previous occupier).

Our councils need to grasp economic change in obsolete town centres, encourage residential conversion and new build and more retails sheds with good occupiers.

Posted 4th July 2011

# LLANRWST BUSINESS



The Glasdir Public Services building on the site of the Old Cinema is a fine addition to the architecture of the town.

It's a pity all the tenants are in the public sector, paid for out of taxpayer's money as an opportunity has been missed to provide an attractive resource for entrepreneurs (the people who pay the taxes).

This building could have been let solely to private sector firms to kick start another small business area in the town, like Station Yard. Conwy Council are proud it is so well used, but unfortunately it's well used by organisations funded either directly or indirectly by the taxpayer. In the long term this is unsustainable, especially when much retail space in the town centre is also taken up with worthy taxpayer funded organisations who offer wages and other conditions well above those the private sector can afford because they are paying so many taxes to support the public sector.

See the occupancy board in the photo.

Now for the good news—there are some private sector firms in the business centre in Llandudno Junction. Now how about that for progress!

Both business units do offer excellent facilities for business meetings in excellent modern surroundings such as those which might be provided at nearby private sector hotels and restaurants if only they could compete with Conwy County Borough Council's bottomless purse. We jest, of course. On a serious note, if you've been to the Civic Centre or Bodlondeb recently and seen all the employees' cars you can breath easy that all is well with the Conwy economy.

Posted 30th June 2011



## PLAYGROUND FFESTINIOG

To add to its attraction as the twin towns in some of the most beautiful hill and mountain country in Britain, Ffestiniog is to host a down mountain speed track and (subject to planning) one of the longest and scariest wire rides in Britain.

Llechwedd already has the basics, main road frontage, café, car parking, major tourist attraction in its slate caverns and rides. Its enterprising new management has pushed through a scheme for an adrenalin rich cycle track down a mountain side. Work starts this autumn for a facility that is bound to attract bike riders from all over the UK, just as the Betws y Coed bike trails now do.

Now Llechwedd is teaming up with the entrepreneur responsible for the successful development of the tree adventure ground on the A470 just North of Betws y Coed to install a very scary wire slide from atop the mountain to the car park where there will be facilities for changing clothes and having a shower (we jest.)

A planning application is going in shortly and we wish it God speed because it's just such an excellent idea. The views from the wire (not to be seen for long) will be magnificent and will be much appreciated because no one on the wire will want to look down.

The extra people coming to Ffestiniog will need a hotel –Premier or Enterprise would do nicely. We have for sale a suitable site right next to Llechwedd, and another by the fire station just down the road.

It's great to have the developer skills for adventure attractions in the Conwy and Ffestiniog valleys and next up ought to be a quad bike track (with mud and water and tight corners) and a go kart track (expertise available in Ceredigion and Y Ffor), archery and clay pigeon shooting (we know just the entrepreneur for the latter).

And a farm shop open 364 days a year.

It'd good to see the new housing going up in the centre of Llan Ffestiniog; both towns needs lots of new housing to draw people from more expensive areas and connected to the best high speed high capacity fibre option broadband money can buy.

Forget the new shop fronts and street furniture.

*Estate Agents' Act :one of our staff is related to the owner. We act for Llechwedd in valuation matters.*

**Posted 7th October 2011**