

A constructive outlook for commercial property in 2019

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If those with any interest in Guernsey commercial property were to look back over their shoulder to 2018 and the start of 2019 they might feel that the view forward has to be better.

During 2018 and early 2019 we have seen estate agents (Sarnia Estates) and retailers (HMV) entering into administration, banks closing their High Street branches to consolidate their premises (HSBC), shops ceasing to trade (Miss Selfridge) or preparing to close down (Edinburgh Woollen Mill - "subject to landlord negotiations" so say the signs in one store's window), restaurants shutting down (Red Onion) and even cocktail bar owners (Laska) handing back the keys to their brewery owners.

It also hasn't been an easy ride for developers who are still unsure about breaking ground just yet. There are also thousands of square feet of office space available to rent.

Guernsey has found things a bit quiet for a few years, and just as it was looking like it might be ready to turn the corner, along came the risks of a hard Brexit and a change of UK government. Like it or not, the fortunes of these islands are inextricably linked to those of the UK, and almost everyone is concerned about what will happen after 30th March, 2019. Private individuals, businesses and commercial property investors are asking whether they should delay making any important decisions.

High Streets everywhere are struggling to compete with the likes of internet giant Amazon and Guernsey is no different. It's not a surprise that a High Street store with high rent and staff costs, low turnover and little or no bargaining power to negotiate discounts on goods or favourable tax rates is finding it hard to compete.

It's far from all bad though. We know that Guernsey is still a very attractive proposition for national High Street chains such as Mountain Warehouse, Schuh and Yours Clothing who all opened here recently. We know there are others who are looking to expand into Guernsey, and perhaps they will make the leap once the Brexit dust has settled.

We also mustn't forget the recent announcement that Premier Inn are bringing the strength of their

considerable brand to the island. When a business with that kind of experience behind them shows an interest in Guernsey others will surely sit up and take a look and see what they may be missing.

This is to say nothing of the local entrepreneurs who are taking space in some of the smaller spaces, such as shops, takeaway food premises (Oodles, Avocado's), physical therapists (First Contact Health) and the increasing number of restaurants that are of the highest quality in terms of their food offering and fit out (including Balthazar). Visitors to Guernsey often comment that when looking for a good place to eat they are spoilt for choice. The local hotelier (of Fleur du Jardin) who purchased The Peninsular Hotel promises to breathe life back into the venue, which is in a stunning location and has always been a terrific draw for groups and societies visiting Guernsey.

As with The Peninsula Hotel, the recent sale and purchase of La Grande Mare Hotel is encouraging because the purchaser has challenged himself to secure the property's reputation as a world-class gold club and resort, which is just what we need if we are to push Guernsey as a place where high net worth individuals can come to live, work and play.

The new play barn at Oatlands - Oaty & Joeys – opened in December and was immediately attracting capacity crowds, who were left gushing about what it had to offer. With one of the largest play frames in Britain, a giant slide, party rooms, bowling alley, trampolines and so on the owner's significant investment is not just providing visitors and locals with excellent facilities, but creating 30 new jobs and providing a much needed boost for businesses in the area and tourism generally.

In terms of finance and office business Guernsey has reputation for punching above its weight in discrete areas. Our regulatory regime, internet connectivity and skilled workforce attracts businesses connected with insurance, funds and gaming – to name a few. Even one business relocating to the island, as we have seen in 2018, brings about jobs, use of office space and ultimately increases the tax take in terms of income tax and document duty on house purchases.

We can also be encouraged by the States' Seafront Enhancement Programme for sites such as La Vallette, North Plantation and the State Offices/Tourist Information Centre. Some of the ideas that have already been put forward by the public have real potential to bring life to our seafront and could even draw people to the island.

2018 wasn't a bad year, in some respects it was actually pretty good, but 2019 is going to be better.

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Meet the Author



[Martyn Baudains](#)

Partner

[Guernsey](#)

E: martyn.baudains@ogier.com

T: [+44 1481 752217](tel:+441481752217)

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