



Commercial property now the investment of choice for Pharmacists

Find out more at The Prideview Group's Medical Investors' Dinner in Stanmore on Wednesday 19th November

After 5 long years of economic woe, the recovery is gaining momentum. The commercial property market is enjoying the best conditions since 2007, with property in the South East and convenience stores being the most coveted investments for private buyers.

The nationwide rebasing of rents, stabilisation of vacancy rates and greater understanding of the High Street's condition have all helped assure many private investors that the high returns on commercial property (currently averaging 8%) now outweigh the risks. With savings rates dismally low, the FTSE 100 tailing back from its recent all-time high and the residential market showing signs of cooling, it's no coincidence that the leading commercial property agents are all seeing increased numbers of first-time buyers. Of these buyers, many are Pharmacists, for several reasons:

1) Community Pharmacists understand commercial property. They know the High Street's occupiers well, understand which rents are affordable and appreciate that location can bring success in even the worst areas - and therefore see opportunities where many do not. Whilst online competition and out of town retail will undoubtedly change the face of the High Street, the large residential catchment, convenience factor and the rise of committed, local businesses means High Streets will remain in demand.

2) Many senior Pharmacists want to diversify. With the sector becoming increasingly regulated, NHS funding gradually being reduced and supermarket competition all making the long working hours less rewarding, Pharmacy owners looking for retirement options and assets that can be passed down the generations can't afford to ignore commercial property investment.



Recently sold property in Peterborough let to Betfred and a Dentist. 19.7% return on equity with a 75% loan

3) Community Pharmacist owners, backed by their established businesses, satisfy banks' stricter lending criteria. In the post-'credit crunch' world, commercial property finance is reserved only for the strongest clients buying blue-chip investments. 'Blue-chip' refers to a property that's become very hard to find at the right price: well-located property let to strong tenants (e.g. Tesco Express, Lloyds Pharmacy etc) for over 10 years; therefore a good commercial property agent is also paramount. With interest rates as low as 1.99% over base rate and 75% LTV available, the net result is that today the well-advised Pharmacist can buy blue-chip investments with double digit returns.

But, as alluded to earlier, none of this is possible without the right agent. **Prideview Properties**, who have been buying, selling and managing commercial property for Pharmacists, medical professionals and other private investors since 1985, remain the partner of choice for many Pharmacists. Bipin Bhagani, owner of Maltings Pharmacy in St Albans first came across Prideview at their 2013 event. "Since then I have bought a betting shop in the military town of Aldershot and a newly converted convenience store in Bournemouth, very busy properties in good locations - one in auction, the other privately. Prideview's associates helped me set up special purpose companies to hold each investment and now they manage and insure these properties leaving me free to focus on my business."

For Narendra Oza, owner of Oza Chemist in Fulham, the relationship has gone back even further. "Prideview helped me buy my pharmacy many years ago and several London commercial properties since. Most recently they managed a project to add an extra floor on one property and convert its upper parts to residential, which has substantially increased my rental income."

Prideview Properties are hosting their **Medical Investors' Dinner** on **Wednesday 19th November** at **Spice Rack Lounge, Stanmore**, to provide more information about commercial property investment, the market and recent deals done. *All medical investors are welcome.*

Ritesh Shah, owner of the One Stop Pharmacy chain in North-West London, says "I urge all Pharmacy owners to attend this event. We Pharmacists are too busy and don't know how to invest our savings wisely - Prideview not only assist with buying property, but they also manage, insure and handle rent reviews, removing the all headache whilst increasing our rental income."

By Nilesch Raj Patel, Consultant, The Prideview Group.
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