



Market Comment December 2020

Court Guinness takes his regular opinionated, “clarksonistic” and sometimes irreverent view of what he sees in the market place.

In this issue he looks back at 2020 and tries to look forward to 2021.

Since I last wrote to you all, COVID-19 has still dominated our lives and shows no sign of stopping soon. The economy in general is languishing in a U-bend and a certain blonde haired buffoon in Westminster and his little friends make mistake after mistake that have most of us yearning for extra anti-depressants. Who would have known that having an eye test at Barnard Castle would be a nice bourgeois Islington fashion statement, there hasn't been one of them since the Blair family tried badly to make people carriers and Le Creuset pans vaguely trendy in the late 1990's!

Talking of depression let us continue the never ending retail discussion now. The dereliction and the abandonment of the great British high street continues unabated. There are people out there visiting stores and there are signs that people are showing support to retailers where they can. However, this is just not enough. The damage has already been done. The Trade House Magazine already has a number of advertisers looking for freehold retail sites to redevelop.

Offices are coming on to the market thick and fast now and many are pre consented for residential conversion too. It seems like it is an uncanny vendor that is leaving it to the purchaser to gain planning consent! This seems to be helping to keeping values buoyant rather than strong!

We are still in a very uncertain place as regards taxation for the next 2-3 years. The Westminster dunce machine have started to leak their hand slowly and it seems that CGT will be their main target. In this office we cannot really comment but we are not so sure and think VAT, corporation tax and personal tax are more likely targets.

A political analyst that knows this office well has suggested that there will be a general election before Christmas 2021 and that electorate will not be returning a conservative government to Westminster. His hunch is for a Lab-Lib coalition with Prime Minister Starmer at the helm. One

thing is clear Bozza the Wozza and his chums and are running low on fuel. They ran out of ability a long time ago and the only thing they can do is try and stem things until a more competent government can be formed.

As we speed towards Crimbo one has to ask the question “what is in it for us?” All the signs are spending will be down and any business relying on a good Christmas is likely to be seriously disappointed. At this time of year I should be out every night with clients enjoying festive drinkies and every morning my secretary should be delivering news that some slut she used to work with had sex on the office photocopier after an office party. Not this year! Nil, Nada, Nothing, Zilch! Barclaycard phoned me up yesterday to ask about abnormal spending on my card – there hasn't been any spending on that card!

One thing that has become very prevalent is the rise of the chancer. I have heard stories of the sudden drop tactic resurging – This being demanding a massive drop in price at the 11th hour prior to completion and another tactic of requiring expensive lease extensions and other costly works prior to exchange as a condition of offer. Some of these are in poor taste and we are seeing the bedding-in of a particular type of Muppet into the market. The fool who will buy anything he can for peanuts and try in hope to turn it around usually alienating a good few people in the process. This behavior has been on the rise exponentially since March 2020. A low deal has always





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been a thing and sometimes are excellent reasons for this. There is no excuse for treating the marketplace like dirt though.

There were some peculiar happenings in the property sector with a large amount of properties at auction achieving unbelievable percentage rates above guide prices and this seems to have settled, though we are seeing a rise in auctioneers advertising stupidly low guide prices. Provincial residential property was behaving in a funny way as we were seeing some portfolio's and more interesting residential property seeing funny gains that would not be expected during a pandemic. This has largely stopped now. A dead cat bounce if ever there was one.

Apart from the odd glimmer of light dealmaking is in the doldrums and I can only see this holding. 2020 is completely written off now in a similar way to an anti-vaxxer rejecting scientific reason over anything else. Business recovery in early 2021 is about as likely as Doncaster Rovers winning the English Premier League. Looking into the future I fear we will have to write off 2021 too in much the same way as Carillion debtors have had to write off sums owing!

The indie and freelance sector is seeing its own doldrums' with a number of self employed IT and engineering contractors wondering what to do next with a combination of new tax laws and a lack of new work. Other freelancers are finding times hard and the office has seen some interesting side hustles come through the door. We are impressed by the sheer inventiveness and in some cases blind hope of others!

We note that several umbrella companies are reported in various places to be in difficulty, I have a hard time finding any love for these organisations but the sector appears to be in deep trouble. In the 20 years I have known of umbrella companies they have been nothing but trouble. I suspect that the white collar contracting marketplace will

be a shadow of its former self come 2022.

There are rumours abound that more banks will seek to shrink their commercial loans books in 2021 and we have heard some rumours that we maybe heading back to the heady days of the GRG style operations of Royal Bank of Scotland fame. Every bank has or had such an operation and these seem to be coming back into vogue! God help us!

We have noticed a trend for an incident to surround the production of Market Comment and apart from me oversleeping yesterday this issue is the exception to the recent rule!

I wish I could say that it has been a pleasure to share 2020 with you all but 2020 for itself has been anything but a pleasure and more of a pile of steaming poo! In spite of all the signs pointing to things being rather poor I want to wish you all a good Christmas and wish you and your families the very best for a prosperous 2021.

Happy dealmaking!

Regards

Court

