

RETAIL MARKETING REPORT

POSTMARK, UNITS 2&3 MOUNT PLEASANT

LONDON WC1

December 2023



The following report has been prepared by Bruce Gillingham Pollard to provide an overview of the retail units at Postmark, (Mount Pleasant), looking at the background and reviewing the dynamics of the location from a retailing perspective, together with commentary on the marketing process that has been undertaken for these units.

Following a Pre-Application (2023/1492/PRE) made in June 2023 this report has been updated to reflect further comments and requests made by the Planning Officer when submitting this report as part of the full planning application.

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1.0 BACKGROUND INFORMATION / OVERVIEW

- Bruce Gillingham Pollard (BGP) were instructed in the leasing and sale of the commercial units in Phase 1 & 2 back in November 2019.
- Marketing of the commercial units was scheduled to commence 6 months prior to Practical Completion (PC) in October 2020.
- BGP did start soft marketing testing Spring 2021. Covid restrictions delayed any formal marketing launch until after PC of Phase 1 in April 2021.
- The marketing campaign began in earnest in October 2021.
- In the first 6 weeks of marketing BGP actively approached approximately 60 potential occupiers.
- BGP continued to market the property during all of 2022 and 2023. To date we have outreach to circa 250 active agents along with direct approaches to tenants.

1.01 The retail element comprises 5 units arranged on ground floor, with separate additional shower provisions for staff, below, at highest, a 10 storey residential building.

The units have the following sizes in current configuration:

Unit 1 -	80.24 sqm
Unit 2 -	101.97 sqm
Unit 3 -	100.40 sqm
Unit 4 -	84.35 sqm
Unit 5 -	183.7 sqm

1.02 Two thirds of unit 5 is currently being used as Taylor Wimpey's marketing suite which will remain in situ throughout the residential sales process with the remaining one third of the unit being occupied by Mousetail café.

2.0 LOCATION

Postmark is centrally located in London within 10 minutes' walk of Chancery Lane, Farringdon and Russell Square stations.

The surrounding area mainly comprises residential flats and townhouses, with large office buildings located along Grays Inn Road.

There are several small retail units located along Grays Inn Road such as plumbers, bubble tea and small newsagents. The development is also in close proximity to the Exmouth Market area which poses some significant competition to the Postmark area.

Mount Pleasant is a relatively quiet mainly residential street with low footfall and low passing vehicular traffic with 5 x existing small commercial units opposite. One is

operated as an aesthetics clinic and 2 combined for a studio. Two of the units are currently vacant.

3.0 COMMENTARY ON THE MARKETING PROCESS / OFFERS

3.1 The marketing campaign and strategy was agreed in consultation with the landlord, Taylor Wimpey London. In view of the quiet nature of this location (and hence anticipated challenging marketing context), we agreed to target both national and independent occupiers, to ensure we were capturing the widest possible market. Throughout our marketing campaign, national operators had repeatedly turned down the site, despite the relatively low rents, favouring higher footfall locations.

3.2 We have been using the following popular platforms to market the units along with direct marketing to agents/ occupiers:

- PIP (Perfect Information Property)
- Shop Property
- BGP Website
- BGP Database
- Leisure Agents Hub

3.3 The adopted marketing strategy allowed BGP to seek offers from a variety of operators, from small independents to national chains. The marketing was thorough and comprehensive, but with the exception of Mouse Tail Coffee (opened September 2020), who pay nil rent and the Landlord funded the fit out, there has been no meaningful interest until we received the offer for the combined space from Morrisons local.

3.4 With regards to any proposed lettings, we were instructed to negotiate market terms with reasonable incentives available to prospective tenants to facilitate activation of the parade.

3.5 The market response for all units in the block has been extremely limited and most operators rejected the units outright. Therefore, BGP and the Landlord discussed offering amalgamated units to attract a greater depth of interest.

3.6 To date around 15 potential tenants have inspected internally with feedback that has included:

- Unit sizes are too small for many users, for example day care nursery.
- Floor to ceiling heights are too restrictive, for example gym/wellness operators.
- Lack of extraction in units 1-4 restricts any restaurant operations.
- This is a new mainly residential scheme yet to establish any recognisable pedestrian footfall for commercial uses.

- Tenants seem to like the quality of the development but have concerns about lack of any passing trade along Mount Pleasant.
- None of the prospective occupiers have been concerned about the level of quoting rents and service charge cost.

3.7 A top target for the tenant mix was to provide a convenience store as an amenity for the residents above and in the surrounding area, plus increase footfall to the location.

Larger (more well known) convenience store operators have rejected this site as they require c 5,000 sq ft with appropriate servicing which we couldn't provide here.

We therefore needed to approach smaller occupiers who could operate from a smaller footprint.

We received offers from Morrisons Local and Nisa with, both parties requiring two units to be combined to provide a unit of sufficient size for a functioning convenience store. Having selected Morrisons Local as the preferred bidder, we have also secured the letting of some lower ground level storage space to supplement their proposed ground floor trading unit.

3.8 **Marketing Evidence** (requested in pre-app feedback) –

3.8.1 Specific appointments / visit dates – are recorded on the interest schedule in appendix 2

3.8.2 Uniform quoting rents were agreed with the landlord across all of the phase 1 & 2 units. However, these were not quoted in any marketing material or marketing web sites. Thus, the rent offer was the same to all businesses. Given the small nature of these units, this included “small business tenants”.

3.8.3 There has been no involvement with the Central Alliance Business Improvement District to date.

3.8.4 It should be noted that unit 5b was let to Mousetail cafe on a 5 year lease at nil rent in an effort to assist a small startup business and bring a first tenant to the scheme trading alongside the developer's sales & marketing suite.

4.0 **CONCLUSION**

4.1 As demonstrated in this report, the scope of the marketing for these units for Class E was wide.

4.2 Marketing for these units has taken place for exactly 3 years, with extremely limited interest. As such, the property listing is well known within the London agency market but even then still has not generated much interest.

- 4.3 The client has now appointed a joint agent in an effort to target other tenant groups.
- 4.4 It is therefore our experienced professional opinion that there is a lack of demand for smaller retail accommodation in this location, due to the low levels of footfall and therefore to progress with a target use / tenant here we would need to be able to amalgamate units two units subject to planning permission from the London Borough of Camden. Otherwise, these units will continue to remain unoccupied, and in so doing, detract from the appearance and visual amenity with no active frontage as well as not being of any retail or employment benefit to the local community.

Lucy Gardiner

Bruce Gillingham Pollard

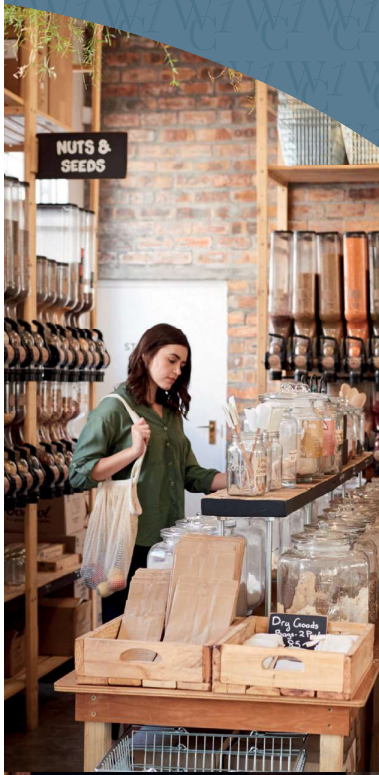
DATE: December 2023

Appendix 1

Marketing Brochure

West Central 1

5 Commercial Units To Let
From 891 sq ft to 1,939 sq ft

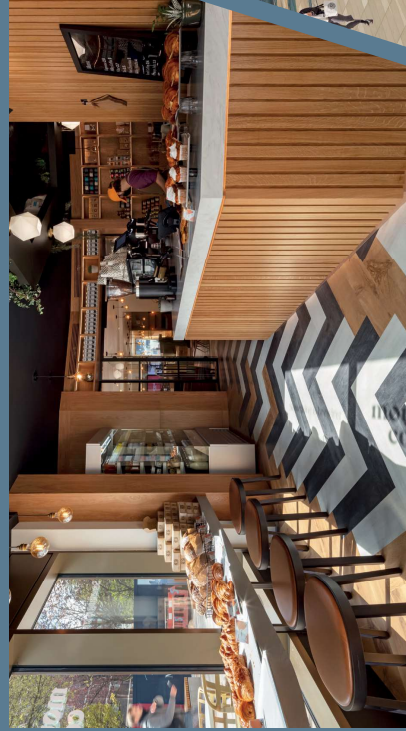


Postmark, Units 1-5, Mount Pleasant, London, WC1

Discover new mixed-use commercial space in a thriving Zone 1 location

This exciting new flagship development comprises 5 commercial units in phase 1, all benefiting from new public realm improvements, making the perfect home for retailers, restaurants, leisure operators and offices, with the added benefit of outdoor seating (subject to separate licences).

With an exciting mix of the traditional heritage and modern design, this is fast becoming one of London's most desirable locations. There is a diverse range of customers in the area including the local residents, workers and visitors experiencing the Postal Museum or Exmouth Market, which are both in close proximity. Due to the nature of this catchment, the area benefits from 7-day trade.



The Neighbourhood

Postmark is creating a bustling new neighbourhood at the dynamic intersection of two of London's most iconic postcodes – WC1 and EC1. Nestled right at the heart of Farringdon, Clerkenwell, Bloomsbury and King's Cross, known respectively as the literary, knowledge and creative hubs of central London. A delightful mix of the traditional and the cutting-edge, this is fast becoming London's most desirable neighbourhood for those Lucky enough to be in the know.

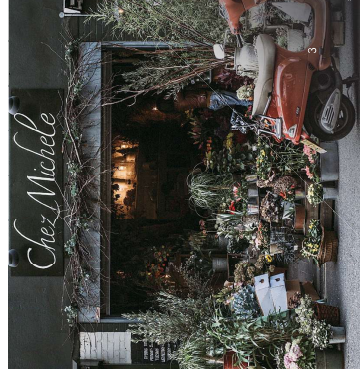
Situated in a central London location yet firmly off the tourist trail, this is a neighbourhood brimming with character and charm. With its green spaces, great connectivity and thriving independent restaurants and shops, it's no surprise that locals like to keep it under wraps.



Computer generated image.



Computer generated image.





Computer generated image.



Computer generated image.

Over 650 contemporary & stylish apartments
 23,000 sq ft of community & retail space
 50% dedicated to green space & public realm

With five Underground/National Rail stations within 15 minute walk, locals are kept connected to London and beyond, day and night. Putting the whole of central London at your fingertips.

Discover the world renowned cultural, shopping and dining destinations the city is famous for, from big-name brands at Bond Street to independent shops and boutiques at Exmouth Market; Michelin Star restaurants to the local pubs and cafés of Clerkenwell, the latest exhibition at Tate Modern to breath-taking dance performances at Sadler's Wells. And all within reach on foot, by bike, or just a short ride away on public transport.

Postmark's central location also puts residents at the heart of some of the most outstanding

colleges and universities in the world, including two Royal Academies, the London School of Economics, SOAS and Central St Martins. Prestigious primary and secondary schools such as the Lyceum Preparatory School, Westminster School and the City of London School for Girls are all a short drive away.

Residents' and locals alike will also benefit from the new public green space being created at Postmark, with over 50% of the development dedication to outdoor space. The public realm will be open to all and includes outside areas for rest and play as well as retail, creating a new destination in Farringdon and Central London.

Phase 1 Units

Unit 1	85.8 sq m	924 sq ft
Unit 2	98.5 sq m	1,060 sq ft
Unit 3	98 sq m	1,055 sq ft
Unit 4	82.8 sq m	891 sq ft
Unit 5	180.1 sq m	1,939 sq ft

Rent On application

Availability October 2021

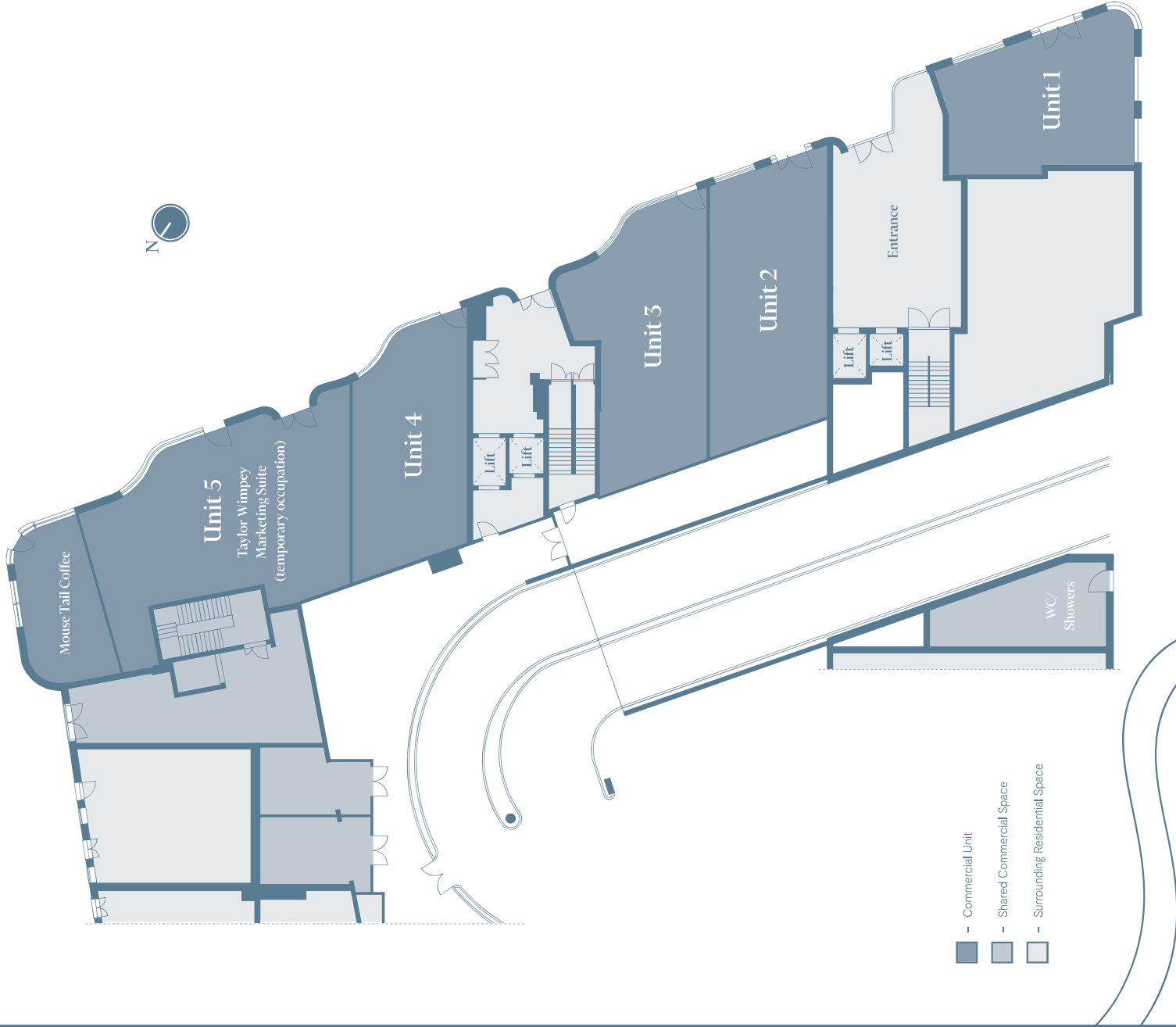
Handover Mount Pleasant commercial units will be handed over as clean shell standard with shop fronts installed and capped off services. Note only retail unit 5 has a gas supply and flue extract system. Each retail unit is served by either a single or double self-closing entrance door from street level. All shop front design must comply with the Advertisement and Shopfront Strategy that has been approved by Camden Council in accordance with the Section 16 Agreement and any designs must obtain appropriate landlord and local planning authority approval. Tenants must provide dedicated refuse and recycling store within the demise which must be masked from the pedestrian route. There are staff WC's and shower facilities available for use by the commercial units located on Gough Street, as well as dedicated cycle facilities.

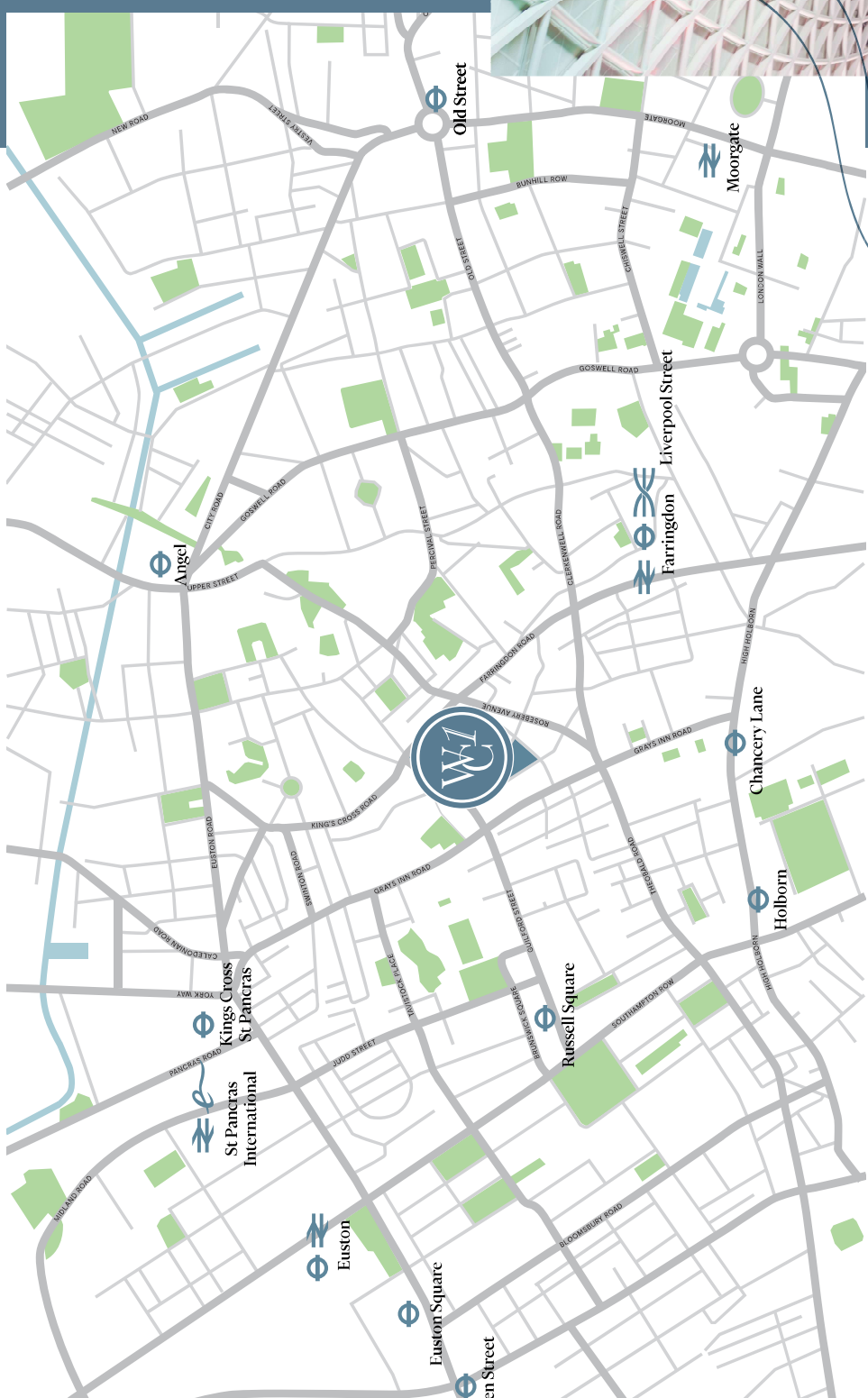
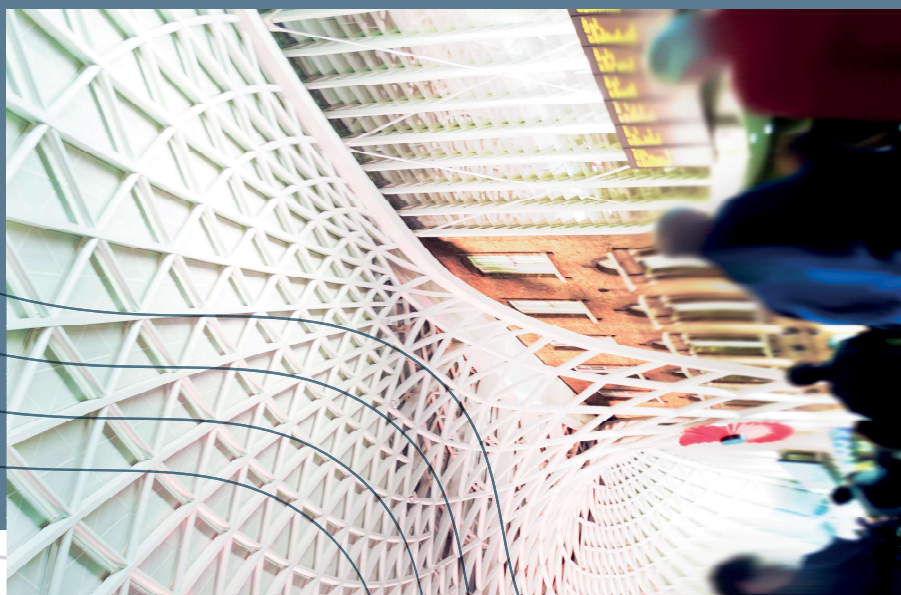
Service Charge An estate service charge will apply. Further details on application.

Business Rates To be assessed on completion of the works. Interested parties are advised to make their own enquiries via the local authority.

Permitted Class Uses A1, A2, A3, A4 & D1

Siteplan is indicative only. Areas are provided as gross internal areas and may vary. Unit layout sizes may vary slightly. The information contained within this document does not constitute part of any offer, contract or warranty. Whilst the plans have been prepared with all due care for the convenience of the intending purchaser, the information contained herein is a preliminary guide only.





5 tube stations
with access to
7 underground lines
all within walking distance

POSTMARK

LONDON

Evie North

Evie@brucegillinghampollard.com

+44(0) 7595 349057

BRUCE
GILLINGHAM
POLLARD

Taylor
Wimpey
Central London

Appendix 2

Interest Schedule

Postmark - rejected / not progressing - December 2023	All parties approached between June 2021 & November 2023
Use / Classification	Comment
Brunch restaurant	Contacted, awaiting response.
Boutique fitness studio	Details with agent. Chased again.
New grocery concept	Sent details, opening in Clapham at the moment. Rejected. Veeno viewed. In receipt of floor plans. Have come back and concerned about the time it is going to take the development mature. Haven't ruled it out but have explicitly said incentives will need to be high to support fit out and time to develop. This is with us to propose some terms. Aware they asked for 3 yrs cash on another development. Need full fit out paid for.
Café/eatery	Interested on the basis of full capital available (3 year incentive). Chased agent for a site visit. Rejected.
Convenience/grocery	Rejected, too small, need 3,500 sq ft min. Consider for P2/3.
C-store	Agent approached us. ED was onsite and not sure taking into account their requirements for ceiling height and no steps that we can accommodate in Phase 1. To brainstorm alternatives. Do need a total of 3500 sq.ft., 2100/2500 sq.ft. trading plus back up - to work through further.
café / yoga / pub	South London family run business generally. But create community around their concepts which range from café to yoga to full pub. They are awaiting the outcome of their 'final' south west site acquisition at the moment. And have started exploring more central London. On the radar and will pick up once hear about the South site first.
Dance / pilates studio	Viewed 11th January 2023, concept proposal drawn up. Remained interested for some time. Eventually faded away
Convenience / Grocery Store	Need min. 5,000 sq ft. Rejected.
Local French Bakery/Patisserie	Contacted, shown initial interest but gone silent since that contact. To monitor.
Vietnamese restaurant	Sent details. Chased.
florist and coffee	Contacted, chased. Rejected
Grocery	Contacted, awaiting response.
Restaurant	Contacted, awaiting response.
Dry cleaners	Sent details. No response to chasers
Coffee	Rejected, need high footfall locations.
Hair salon	Opened in Ealing, also in Chiswick. Approached for Postmark. Rejected, not right for their use, lack of footfall is an issue.
Dentist	Contacted. Chased.
Boutique fitness studio	Sent details. Followed up. No response
Bottle shop	Contacted, awaiting response. Chased.
Bakery and café	Sent details. Long shot as need high footfall locations. Never returned calls
Grocery	Information with tenant. Response has been - that the units haven't been designed as Cstore - therefore concerns on layout and servicing. Location would be of interest but won't progress.
Deli	Viewing 24th. Units too small. No extraction
Mediterranean restaurant	Roaring success in Queens Park in a small neighbourhood site. Approached and they are digesting. Rejected due to location.
Cosmetics	On Holborn. Approached for PM. Rejected, not right for their use.
All day eatery	Need full extraction. Looking at more central locations initially and Chelsea/SW.
pilates studio	New to the UK but seeking sites c. 1,600 sq.ft. No response
Nail Bar	Need minimum 1,500 sq ft. Raised direct and rejected as want to be closer to High Holborn.
Oriental Mart	Rejected as focus is on a store in Nottingham at the moment.
Cook ware	Focus is outside of London for now. Won't progress now.
Convenience	need min 4,500 sq ft - lack of footfall. Rejected.
Co Work	Sent details. No response
shared workspace	Recently discussed with agent, space we can provide isn't big enough. Sent details for unit in phase 2. Just opened Wandsworth and like neighbourhood schemes. Concerns over footfall and number of people actually living in Postmark. We don't have enough space in Phase 1 and concerns over being in a unit with no adjacencies.
Nursery	Contacted, awaiting response.
bike repair & sales	Contacted and chased, no feedback / response.
Barbers	Gaming and barbers. Sent details but aware they have struggled initially in another resi scheme. No for the moment but one to monitor. Rejected due to quiet location.
Speciality coffee	Sent details. Rejected.

Co-work	Neighbourhood coworking space. Approached through agent but not currently right for them as need larger space and location doesn't fit their expansion plans.
C-store	Information with tenant. Chased
Beauty/ Wellness	Clerkenwell/ Farringdon local. Approached for PM.
All day eatery	Rejected - Need extract.
Nursery	Rejected as 2,000 sq ft is too small.
bike repair & sales	Offered: for a 10 yr lease, break at the 5th year, 12 months rent free. White box specification tbc. Tenant has since retracted offer (18th July 2022) to focus on other more prime target locations. Reason for withdrawal stated to be purely location, not terms.
Restaurants	Clerkenwell/ Farringdon local. Approached for PM.
bakery & cakery	Rejected concerns over footfall
Boutique fitness studio	Sent details again. Chased. Rejected focusing outside London.
Dry cleaners	Contacted, awaiting response.
All day eatery	Want to get their next site opened before looking at further opportunities.
Pub	Enquired as got a requirement for the area but need 3,000-4,000 sq ft.
Grocery	Rejected, not actively looking at the moment.
Restaurant	Approached and very acquisitive at the moment. They wanted Units 4 and 5, but are diverting them to the Phase 2 unit. Chasing for feedback on Phase 2 and if we can move forward bearing in mind led in times.
Health foods	Sent details. Chased.
Co Work	Sent details. Rejected.
H& F / JIU Jitsu	Requirement for Farringdon, Clerkenwell. Sent details. Need min 2,000 sq ft. Chased - rejected.
Beauty	Approached via Guy Maude. If no response by 5th Sept will go direct. Never replied
Nursery	Contacted, awaiting response.
Co Work	Sent details and pushing to get onsite.
Yoga Studio	Approached in fitness blitz. No response
Co Work	Sent details. No response
Wine Bar	Viewed and rejected. Need busier locations.
Deli	No response
Asian groceries/Bubble Tea	Viewing w/c 29th. Units too small
Bakery/Patisserie	Sent details. Rejected. Opening 2 sites in June/july so focus is on that.
Nursery	Active and looking at sites. Sent details. Outdoor space preferred.
café	Clerkenwell/ Farringdon local. Approached for PM.
Deli	Rejected not looking at new sites
Deli	Contacted, awaiting response. Chased.
Grocery store	Contacted, awaiting response.
Book Shop	Sent details of Postmark. No response
Fishmonger	Sent details. No response
Estate agent	Offered on unit 4 but not progressing interest due to use. Non-active frontage
Bakery	Operate at KX market outside the station. Contacted about perm sites. Operating in Pimlico, Primrose Hill and Bermondsey. Chased. Rejected due to location feeling bit isolated.
pet supplies	Sent details. Awaiting feedback. Rejected due to location.
Bakery/Patisserie	Arranged to view but the guy got covid. Never rearranged
Cyotherapy	Details with tenant. They have just opened St Johns Wood High Street. Await feedback. Rejected, not right for their use.
Japanese restaurant	Need full extraction. Rejected.
Wine merchant	Have put this to them for a small format store - await feedback. Normally require parking for larger stores but this would be more immediate. Arranging meeting with them to discuss, possibly Teams first.
Pharmacy	Contacted, awaiting response.
Gifting	Not looking to open another site.
Pasta restaurant	Approached following doorstepping, await feedback. Chased and no feedback.
Wine Bar	EN Reapproached following viewing 14th Dec 2022. Confirmed focus is getting a new West End site over the line first before focusing elsewhere.
Wine Bar	Details with agent. Agent confirmed they are going to do a walk around Postmark. About to get licensing on a site in Mayfair so focussed on this. Once it opens, will reapproach
Beauty/ Wellness	Only requirement is for Knightsbridge for now.
Vets	Contacted, awaiting response.

Grocery	Sent details and expressed interest. Pushing to get them onsite before xmas.
Yoga Studio	Focusing on current sites at the moment. Got no cash for more sites.
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Restaurant	Located in Exmouth Market, sent details on Postmark. Chased. Rejected - happy with current site.
Tap room	Sent details. Chased.
Nursery	Need demised outdoor space of c.1,000 sq ft min.
caviar shop	Viewed, offer received on unit 2/3, we reverted interest to unit 4. Retracted offer as secured a fitted unit elsewhere with designated parking. Lack of extraction for refrigeration turned them away from Postmark
Grocery	Contacted, awaiting response.
Cycle repair shop	Contacted and chased, no feedback / response.
C-store	Viewed and like the potential. Initially works - but needed external plant space. Back with them.
Deli	Call set up 26th. Sent plans and terms of unit 1. Rent sensitive. No positive response
Co Work	Contacted, awaiting response. Chased.
Click & collect food and groceries	Contacted, awaiting response. Chased.
Restaurants	Approached and interested. Working through delivery catchment with Deliveroo. Not a priority and focussed more on locations like Barnes/ Teddington. More chimney pots and less commercial.
Vets and retail	Want to do one more site in South London and then will consider. Monitoring interest. Rejected due to location.
Wine Bar	Initially viewed 16th Feb 2022 and came back with whole team. One of the guys behind the concept lives in the area. I think the preference would be unit 1. Confirmed nervousness about the location and it being unproven. One to monitor but parked for the moment.
Stationary	Raised and rejected due to footfall and prominence.
Convenience	TW rejected due to brand use.
Café / Sandwich	Lucy Winzer, head of acquisitions, has been for a quick visit. Not the traditional pret footfall drivers they need. Rejected therefore.
Grocery	Contacted, awaiting response.
Wine, Deli, Coffee	Rejected, havent got the funds to do another site. Rejected.
Nursery	Contacted, awaiting response.
Spanish deli	Contacted, awaiting response. Chased.
Boutique fitness studio	Pushing to get onsite. Focusing regionally.
Barbers	Rejected due to footfall and prominence.
Convenience	Not of interest. Cant service/ layout not right. Rejected.
Patisserie	Rejected - due to location. Looking more central.
Beauty/ Wellness	Clerkenwell/ Farringdon local. Approached for PM. No reponse
Bakery	Contacted, awaiting response. No feedback
Bakeries	Contacted, awaiting response. Confirmed the location is not of interest to them.
health & fitness	Budget gym operator, would need 3000 sq.ft.
Convenience	High quality asian grocery store. Similar to Tian Tian but don't need as much space. Fit out is quite high quality. Viewed 1st March 2023. Got plans and elevations. With them for review.
Assisted stretching	Rejected due to lack of footfall
Independent Dance and movement studio	Postive viewing. Awaiting formal feedback.
Multi use studio	Viewed 11th Nov. Rejected to due plant and head height.
Fishmonger and grocery	Contacted, awaiting response.
Infrared Sauna	Rejected. Focusing on Chelsea
Dentist	Approached following doorstepping, await feedback.
Dentist	Approached via a different agent. Still no response
Convenience	Rejected - units not large enough./ lack of footfall.
Independent café and Deli	Contacted, awaiting response. Chased.
Convenience/grocery	Sent details. No response
Healthy restaurant	Not expanding at the moment
Pub / Tap Bar	Clerkenwell/ Farringdon local. Approached for PM.
Zero waste store	Contacted, awaiting response.
Beauty/ Wellness	Details with agent. Might need more passing footfall but await feedback. Rejected, not right for them.
Asian Grocery	Information with agent. Exchanged on Ealing and will be on the hunt for sites. Met with them 3rd August and focus is on places they do a lot of delivery already.
Beauty/ Wellness	Rejected as other priority locations.
Nail Bar	Collating information on numerous sites across London and slowly narrowing the focus down. Info with them. Rejected.
Yoga Studio	Contacted, awaiting response.
Boutique fitness studio	Viewing being arranged. Got a franchisee for North London.
gym studio	Fitness concept - acquiring. No reponse
Grocery	Rejected, not actively looking at the moment.

Grocery	Rejected as focusing on South West.
health & fitness	Need minimum 2,000 sq ft - ideally 3-4k sq ft. Rejected as not looking at new sites especially in shell and core conditon. Monitor.
Wine Bar	No response
Convenience/grocery	Rejected.
Asian grocery & bubble tea	Haeds of Terms agreed then withdrew. Took smaller unit on Grays Inn Road
Restaurant / grab & go	Approached and sent information on Postmark.
Cowork -space	Sent details. Chased. Rejected.
Bubble tea	Requirement for the area. Viewing w/c 29th. Changed to Wampo franchise name