

Marketing Statement

Canal Reach

London

18 January 2024

1. Introduction

BELCOR have been requested to provide marketing advice on Canal Reach, London, N1C 4BD. We commenced our marketing on 1st May 2023. We unsuccessfully concluded our marketing process.

Planning Consultancy:

Gerald Eve LLP

Proposed Unit:

Ground Floor (Café/Restaurant) at Canal Reach

2. BELCOR

2.1 About Us

By way of a brief background, BELCOR have been providing commercial lettings services within the City fringe market since 2009. The firm's founder Paul Belchak has been operating as an East London commercial property specialist since 1990 and BELCOR are renowned as local experts for Shoreditch, Spitalfields, Islington, Dalston and the surrounding areas.

BELCOR are also well-known to Islington council, with working relationships with both the property services and regeneration teams having provided agency services to the Council within the last 12 months.

2.2 Agency & Design

BELCOR provide agency services for a myriad of private, public and institutional clients. Our agency instructions would usually range from 1,000 sq ft to 30,000 sq ft B1 office premises and our firm receives a steady flow of enquiries direct from occupier applicants and through represented agents.

2.3 Investment & Development

BELCOR offer Clients comprehensive investment and development guidance.

2.4 Management & Professional Services

BELCOR's management team provide an experienced, personal service to a select group of Clients and undertake a variety of professional work.

3. Location and Background

Canal Reach is located off York Way and a 15 minute walk from Kings Cross and Kings Cross St Pancras international stations. The property is situated on Argents Kings Cross estate in a strong residential area but has a lack of commercial occupiers around it. Footfall numbers are really limited in this micro-location and especially so during the day. The unit previously traded as 'Coffee Junction' who vacated in April 2017, but they were not able to make it work even at nil rent, due to a lack of footfall and trade. closed due to lack of trade as the business suffered as a result of the lack of footfall in the surrounding location.

The most recent occupier of the unit was burger operator Cut & Grind who took a 15 year lease in August 2017 originally let at £50,000 per annum. This occupier could also not make the site work due to the lack of footfall and despite numerous concessions from the Landlord including nil rent from 2020 during the pandemic, with a further concession to 50% of the rent to keep the business trading, but they eventually went into administration in April 2023 and surrendered the lease.

BELCOR started marketing the unit in May 2023. Our marketing campaign evidently showed that commercial occupiers were too concerned about the lack of footfall and so we were unable to secure a tenant.

4. Plans & Area Schedule

4.1 Accommodation;

The commercial premises provide 2,755 sq ft over ground floor.

Floor	Area (Sq Ft)
Ground	2,755

The unit comprises part ground floor of a of a student building. The site forms part of Kings Cross Central, the former railway lands located north of kings cross station.

4.2 Market Insight:

Existing Restaurant Availability

Presently, there is a substantial number of unoccupied restaurant units available in the market. Although restaurant vacancies in premium locations have remained relatively stable post-pandemic, secondary locations have experienced challenges. This is attributed to office occupiers directing their focus towards prime locations with convenient transportation, facilitating the return of staff to the office. Additionally, the increased affordability of prime location offices, resulting from the surplus supply post-pandemic, has contributed to the decline in demand for secondary locations.

Future Demand

The unit sits within a secondary location, fronting onto a congested road which is often backlogged with queuing traffic. It is our view that secondary locations will continue to be challenging unless we see a wholesale change in terms of occupiers going back to the office. The unit is situated within a heavy residential catchment with minimal to no commercial occupiers in the immediate location and as such we do not expect footfall numbers to increase, and we deem a restaurant in this space to be unviable.

Impact of Losing Commercial Space in Kings Cross

Considering the surplus of available commercial restaurant spaces in the market, we believe that the conversion of Canal Reach into student amenity space will not result in any significant consequences or material impact.

4.4 Marketing Campaign

BELCOR have undertaken a full marketing campaign at the Urbanest Canal Reach site, this includes the property being on our website, marketing portals, marketing details and send outs to our database consisting of agents and applicants.

We have run this marketing campaign since May 2023 and property has not attracted significant interest from restaurant occupiers.

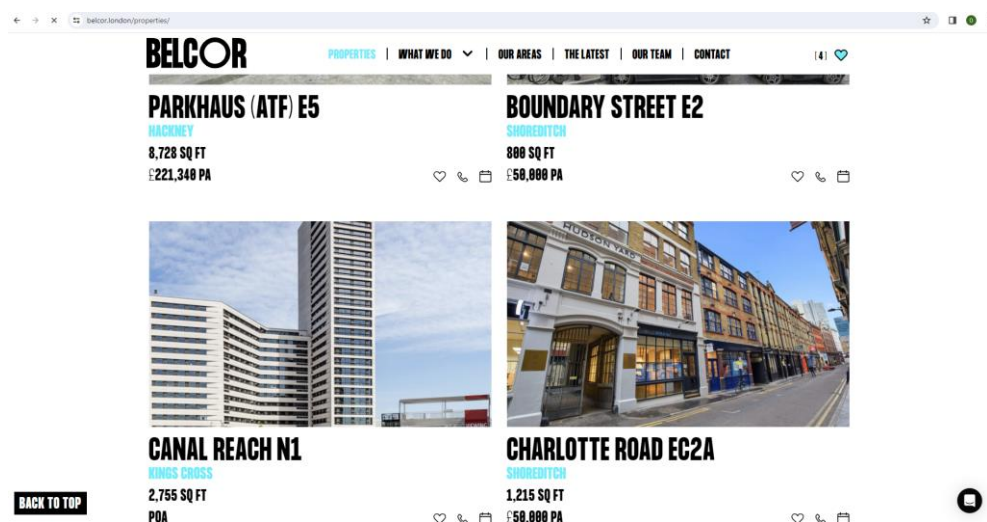
Date	Interest	Agent	Comments
03/05/2023	Quarteri	Direct	Pizza restaurant based in Kilburn, they liked the space but felt there was not enough footfall
17/05/2023	Milk Beach	Direct	Brunch restaurant in Queens Park wanting to expand. Liked the space but felt there was too much car traffic which doesn't work for their ambience.
18/07/2023	N/A	Restaurant Property	Sushi operator looking to set up a third site in London. Felt the building was too secondary.
25/07/2023	Bambi	Direct	They thought it could be good for a delivery led concept but are worried they couldn't rely on that.
18/08/2023	Mr Singh	Direct	Looking to set up a new café business having run newsagents. Viewed but didn't like the location.
13/09/2023	N/A	Matta London	Vietnamese operator looking for their second site, have one in Shoreditch. Too worried about footfall.

20/10/2023	Toms Pasta	Direct	Very good operator and liked the idea for the students but felt that wouldn't be enough trade to cover costs.
14/11/2023	N/A	Stirling Ackroyd	Acting on behalf of a café operator. Ended up pursuing a more prime option.
21/11/2023	Big Mamma Group	Direct	Looked at this for more of a production kitchen but decided to go for a more conventional CPU.
12/12/2023	N/A	Strettons	Mexican concept, walked past the area over the weekend and felt it wasn't for them.

5. Marketing

The following marketing methods were used to market the café/restaurant unit at Canal Reach.

5.1 Website



(external shot of the website of the property being advertised from May 2023)



[PROPERTIES](#)
[WHAT WE DO](#)
[OUR AREAS](#)
[THE LATEST](#)
[OUR TEAM](#)
[CONTACT](#)

4

To Rent

Canal Reach, N1

2,755 sq ft

£ p/a - POA

REQUEST VIEWING

DESCRIPTION

The property is arranged over ground floor only comprising approximately 2,755 sq ft.

It is currently trading as a restaurant and benefits from being fitted out to a very high standard with full kitchen extract. The existing kitchen equipment and refrigeration units can be retained - further information available upon request.

BACK TO TOP

AMENITIES

24 Hour Security

7-Day Trade

Air Conditioning

Bike Racks

Courtyard

The property was marketed on BELCOR's website from 4th May 2023, likewise this was the same across all marketing particulars.

5.2 Marketing Particulars

The below was a copy of our original marketing particulars that got sent out to all agents and applicants and what we'd use to provide summary information on the property. These were first sent out on 4th May 2023.

PRIME LOCATION
MODERN
CAFE/RESTAURANT

CANAL REACH
KINGS CROSS, N1

2,755 SQ FT

BELCOR

CITY FRINGE REAL ESTATE

BELCOR


CANAL REACH
KINGS CROSS, N1

DESCRIPTION


The property is arranged over ground floor only comprising approximately 2,755 sq ft (GIA).

It is currently trading as a restaurant and benefits from being fitted out to a very high standard with full kitchen extract. The existing kitchen equipment and refrigeration units can be retained - further information available upon request.


PRIME LOCATION, MODERN CAFE/RESTAURANT




AMENITIES




EXCELLENT NATURAL LIGHT




OPEN PLAN




EXCELLENT TRANSPORT LINKS




AIR CONDITIONING




LOADING FACILITIES




PRIME LOCATION



FIBRE OPTIC



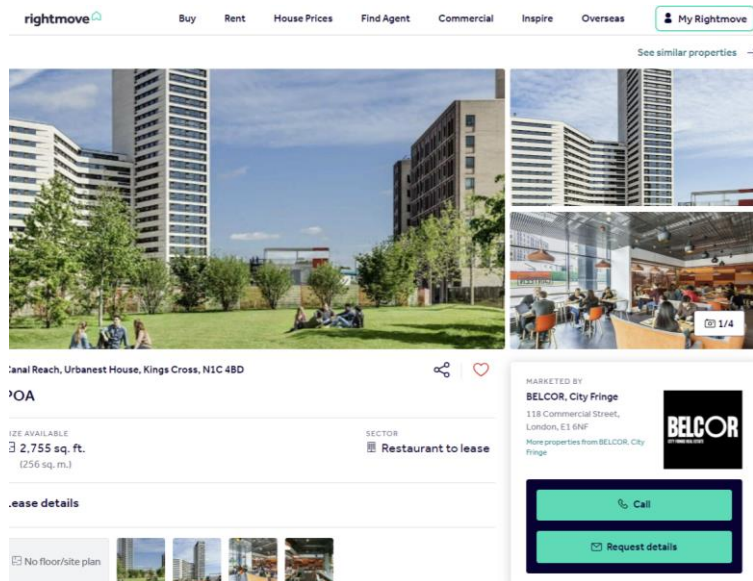
E CLASS USE



GREAT FRONTAGE

5.3 Online Marketing

Variety of online portals including Zoopla, EGI and Right Move where applicants would see information on the property.



5.4 HTML Mailer

An email sent to over 12,000 contacts on our mailing list/database making applicants aware of BELCOR's list of available premises to lease.

6. Summary

The evaluation of the 'Canal Reach' property demonstrates that a café/restaurant is not a viable proposition at this location. One of the key factors for this is the inadequate footfall in the area. The secondary nature of the location has been exacerbated by the widespread loss of office demand caused by the pandemic & work from home movement.

The diminished foot traffic, which in part is due as a consequence of reduced office activity in the vicinity, poses a significant challenge for a restaurant business. The decline in demand for office spaces has led to a noticeable decrease in the number of potential customers the area. Consequently, the lack of sufficient footfall raises concerns about the restaurant's ability to attract a sustainable customer base and achieve a satisfactory level of profitability.

Given the current economic climate and the lingering effects of the pandemic on office demand, we do not feel that this site would make a suitable commercial use.

The fact that operators have tried to make this site work over a number of years and have all ended up closing the site down due to lack of trade or end up in administration, further highlights that this is not a viable venture for a restaurant, even at a much lesser rent.