



SURVEYORS, VALUERS & ESTATE AGENTS

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13 June 2012

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Dear Mark

**New Premier House, 150 Southampton Row, London WC1B 2AL**

As requested by our client Richard Doffman at Pearl & Coutts I confirm that we are one of the joint letting agents in respect of the above office building.

Gale Priggen & Co was established in 1991 and we deal with all aspects of commercial property in Central London, specialising in the areas of Holborn and Clerkenwell in the sector for smaller suites in secondary buildings which is where New Premier House is positioned. Our principal activity is office acquisitions and disposals in Holborn. We have detailed local knowledge and have built up a comprehensive database, which has been maintained by the partners for almost 20 years. With regard to New Premier House, we were appointed joint letting agents two years ago with Richard Susskind, also working jointly with Pearl & Coutts' own leasing team.

The overriding feature of the London mid town office market during the last two years has been one of reduced market activity. Whilst a number of tenants have generated searches prior to their ability to exercise a break clause or prior to a lease expiry, the majority of them have used this lack of market activity to negotiate better terms with their landlords for the next five – ten year period. For their part landlords who might have been looking to redevelop or refurbish buildings following lease expiries have, as a result of the dramatic fall in rental values since the end of 2007, sought to retain tenants, minimise voids and maintain rental income.

In addition to the continued difficult market conditions, there are certain specific factors that have been seen to impact on our ability to secure lettings in this property.

The area surrounding the building is dominated by a number of different uses including hotel, education and health services. The education and health care uses are historic uses, but hotel use has increased in recent years for a number of reasons. These include proximity to the Piccadilly Underground Line which provides direct access to Heathrow for overseas visitors. Also, to the north there lie three of London's main railway stations comprising Euston, Kings Cross and St Pancras which provide rail services to a large part of Great Britain.

This location is also convenient for theatres in Soho as well as tourist destinations across the whole of Central London as it is a less than 10 minute walk to the Central Line and there are numerous bus routes in both north – south and east – west directions.

With regard to the building itself, the ground floor is occupied by four retail tenants comprising Portland Food & Wine, Pizza Hut, Ill Fornella and Clockwork Pharmacy, all of which offer extended trading hours. These retail units, together with St Giles International Language School immediately to the north side mean that the pavement area around New Premier House is often congested. The position is made worse by the number of people who congregate around the entrance and along the pavement outside the property smoking. So for someone visiting the building for the first time this does not create a positive impression and it is often possible to miss the entrance as it has no ground floor presence.

There are a number of factors relating to the arrangement of the accommodation itself which I should draw your attention to. Firstly the rather long entrance corridor is only 1.3 metres wide and the ground floor lift lobby is very restricted in size which creates its own congestion, aggravated by the fact that there is only one 8 person passenger lift. This is generally an inadequate provision for a Central London building in excess of 24,000 sq ft with offices on seven floors.

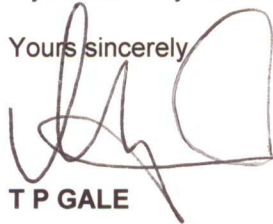
The layout and arrangement of each floor with a dedicated central core housing the lift, escape staircase and w.c.s means that each floor is divided into two distinct leasing units. These units are in the main of a broadly similar size, between 1,000 sq ft and 2,000 sq ft. Consequently it is difficult to satisfy requirements for suites much in excess of 2,000 sq ft because of the fragmented nature of the space created.

The arrangement of the w.c.s with different sexes of alternate floors is not ideal. Furthermore there is only 1 w.c. on the 7<sup>th</sup> floor which is within the front suite demise as opposed to being in the common parts. This means a male office worker in the rear suite is required to go down to the 5<sup>th</sup> floor to use the facilities which is, again, not ideal.

Overall these factors, coupled with the continued difficult economic conditions, have compounded to make it extremely difficult to generate interest in this accommodation and the position would only be partially improved by any possible future upturn in the strength of the market.

If you have any comments or queries please do not hesitate to let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T P GALE', is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

**T P GALE**