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PRIVATE & CONFIDENTIAL

Dear Mr Stevens,

97 GRAYS INN ROAD, LONDON, WC1

Further to our recent conversation please see the below information regarding the marketing of 97 Grays Inn Road.

The Landlord of the property, our client, instructed us to market the basement and ground floors at the start of September 2008. As you are aware the property is now under offer subject to obtaining planning for a D1 use.

Once instructions were confirmed by our client a new set of property particulars were prepared. These property details were then sent out to over 550 London office agents and to any current applicants we were aware of looking for similar space. The details were also uploaded to the Pater Goodman Merriman website www.pgmsurveyors.co.uk as well as a number of commercial property websites including FOCUS, Agentsville and EGI Property Link. Over the period of almost two years the details have been refreshed and updated to generate new interest.

Pater Goodman Merriman regularly arranges local canvassing in and around the Central London area having only recently organized a canvas of the East London postcode area targeting approximately 1,500 potential occupiers. Alongside this the property details for 97 Grays Inn Road were sent to hundreds of local occupiers in and surrounding the area.

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Whilst openly marketing the property we arranged for a 5x4 marketing board to be placed on the premises. In my experience this is usually one of the best marketing tools available as we receive a high volume of calls resulting from applicants seeing our board.

The above marketing methods ensure that the letting particulars of the property reach the maximum number of prospective applicants. As well as the above methods, Pater Goodman Merriman specializes in the City Fringe area and we remain one of the most active firm of agents in the area. We also carry out general company marketing on a wider basis, such as adverts in industry magazines, television advertising in Farringdon Post Office and summer and winter brochures providing an overview of the property market and detailing the work that we do.

When dealing with 97 Grays Inn Road we carried out a number of viewings at the property with the majority of the applicants coming from general enquires from the marketing board and local canvassing. I would estimate that throughout the duration of the 21 Months the property was marketed we had on average 2 to 3 viewings per month. I would consider this level of interest to be low when compared to previous properties and think this was largely due to the bad economic climate. This was especially evident during the period from the start of 2009 to date when it was not uncommon to have only 1 viewing every couple of months due to the lack of interest created by the declining economic conditions.

One of the reasons it is difficult to find an office occupier for 97 Grays Inn Road is due to its poor specification and layout. The majority of applicants seeking office premises are looking for open plan space on one floor with good natural light. 97 Grays Inn Road has 736 sq ft of space spread over two floors with the only natural light coming from the ground floor window frontage. The usable space on the ground floor is heavily partitioned and only one room in the basement is usable as office space. The lack of natural daylight and other modern office amenities also had a negative effect on the appeal of the property to potential applicants.

At the start of the marketing process we were quoting an annul rent of £19,000 which has now been reduced to £14,500 per annum, with the landlord now prepared to accept a rent as low as £13,000 per annum. This again highlights the difficulties in letting the space and lack of interest as a B1 office unit.

We have been marketing a number of properties in the area which we have been unable to let due to a lack of applicants actively seeking office space. Please see the table below for an overview:

Property	Length of time on market	Description
97 Grays Inn Road	21 Months	Lease available on Ground and Basement of 736 sq ft.
10 Clerkenwell Green	32 Months	630 sq ft available to let on 1 st , 2 nd and 3 rd floors.
75 Grays Inn Road	20 Months	695 sq ft available over 2 nd and 3 rd floors. Withdrawn from market.
Unit 8, Albion Buildings	11 Months	Sub lease available on 300 sq ft. Let in
Unit 3 & 4, Albion Buildings.	6 Months	540 sq ft available to let on 1st floor.
39 Doughty Street	13 Months	830 sq ft to let over 2 nd floor and Lower ground. Withdrawn from market.

All of these properties are still available or now withdrawn and have been marketed in full. 10 Clerkenwell Green has now been reduced to a rent of £10 per sq ft and still remains available to date. This property is located in one of the prime locations of Clerkenwell which I would expect to let in 1 – 3 months and achieve a rent of £25-30 per sq ft if the market were strong. I have attached copies of the marketing particulars for your information.

It will be appreciated that at present the UK and Global economies are going through a somewhat uncertain period with external influences, largely created by the American economy and credit problems, affecting economic activity in this country. At present the property market, particularly within the small and medium-sized office letting market continues to see activity but at a significantly reduced level. This is clearly having a negative impact on the office market and can be seen by looking at the high amount of stock which still remains vacant.

Please let me know if there is any other information you require or if you need further clarification on any of the above points.

Yours sincerely,

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