

**81 CHANCERY LANE
PLANNING NOTE**

Prepared by

FAREBROTHER

June 2014

1. Note

Farebrother is an established private Practice of Real Estate advisers and Surveyors, based in the City of London, since 1799. We are local specialist retail advisors with a first hand experience in seeing the new occupier change , from public sector utility and government offices to blue chip multinationals, this has brought in the demand from retailers. Our offices are within 100 meters from the subject property.

Farebrother pioneered, together with 24 other stakeholders, the creation of The Chancery Lane Association (CLA) and assisted with its implementation (phase 1).

The main objective of the Chancery Lane Area Enhancement Scheme is to create a high quality street environment that makes the area more pleasant and easy to use for workers, residents and visitors to the area, emphasising its rich cultural heritage and encouraging its growing retail and leisure facilities. This is through working closely with local businesses, residents and visitors.

Improvements include:

- Replacement and widening of Chancery Lane's pavements
- Improved access to the area
- Substantial public realm improvement to Cursitor Street, including new paving, new planting and furniture.
- Improved street lighting and signage
- Complete renewal of road surface and drainage refurbishment.

Farebrother have been instructed as joint retail agents with Shackleton for the scheme at 81 Chancery Lane.

We have been asked to consider the original retail strategy for the site with a view to providing a restaurant unit/units within the scheme as a footfall driver and anchor to the scheme, in order to help sustain the building's life cycle and enhance the overall status of the area, ensuring that the best tenants are secured, both retail, office and restaurant wise.

Many of the original retailers at Chichester Rents, had vacated their premises due to the lack of capability of complying with the lease terms. The type of operator these units were able to attract due to their size had been the likes of independent sandwich shops, shoe repairers, flower shops and services. The lack of covenant and operational experience of these operators has been the cause of a very high churn rate within the arcade. The average unit size had been Chichester Rents was approximately 450 sq ft.

This has led to the creation of the consent scheme presently in the construction phase on site, an which provides for more appropriate modern sized units for retailers/restaurants as we believe that some key occupiers actively seeking space in Chancery Lane had perceived the size of the units to be a real barrier to them opening because they simply cannot physically fit into them.

Retail and consumer demand is changing at a very fast pace, retailers are aware of this change and are adapting their size, rent and location horizons accordingly.

We also feel it critical that in addition to having larger sized retail units and a reduced number of tenants, many of the retailers/restaurateurs that we aspire to attract to Chancery Lane will want to see a diverse cross sections of uses and occupiers to build a sustainable and desirable cluster for people to target as a location as well as impulse walk in trade.

The threat of high churns rates and vacancies can negatively impact on the overall image and standing character of the thoroughfare.

We consider that the future restaurant element on the ground floor of the subject property is of paramount importance in presenting the building to the highest standard, given its strategic position on Chancery Lane. We consider the potential inclusion of restaurant use in the heart of the scheme forms an essential ingredient to providing a sustainable mix of uses that will add to vitality of the area and draw people through the scheme and into the public area beyond and to the overall development of Chancery Lane.

In this section of Chancery Lane alone, approximately 300,000 sq ft of new office space will be delivered over the next 2-3 years, representing a potential increased office population of 3000 people (based upon an occupation of one office worker to 100 sq ft).

81 Chancery Lane plays, therefore, a fundamental role in the future of Chancery Lane's retail/restaurant mix and strategy to deliver good quality occupiers to a significantly growing office population and restaurants have a significant part to play in the diversity of the area.