

**VIABILITY REPORT RELATING TO  
EMPLOYMENT FLOORSPACE**

**FOR**

**140-146 CAMDEN STREET,  
LONDON, NW1 9PF**

Prepared By  
Beverley Hedge  
Currell Commercial  
309 Upper Street  
London N1 2TU  
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## 1. INTRODUCTION

- 1.1 Currell Commercial has been established since 1990 in Islington as a leading firm of Chartered Surveyors and Commercial Agents. We have over 24 years experience in Commercial agency, including working for local authorities and advising private sector clients on all aspects of commercial property and all commercial property types including shops, offices, industrial/warehouse space, restaurants and bars, concentrated upon the London Boroughs of Camden, Hackney and Islington. Currell Commercial has also had input into a number of urban regeneration projects in these Boroughs as well as throughout London.
- 1.2 This report is intended to show the supply of and demand for commercial space in the immediate and more expansive areas around the subject site. Also whether it is viable for the subject premises to remain or to be substantially refurbished for B1 office use.

## 2. LOCATION

- 2.1 The buildings are located on the eastern side of Camden Street, at its junction with Bonny Street and also close to its junction with Camden Road. Camden Street is a one way street and the immediate surrounding area is mainly a mixture of period residential terraces and new build mainly residential developments with the building also being adjacent to the yard and parking for the Transport Police Headquarters that fronts Camden Road. The majority of occupiers in that location comprise a mixture of commercial and residential premises with a large number new build mixed use schemes including 25-31 Camden Road which will comprise 52 flats and 2 townhouses.
- 2.2 The buildings lie to the north east of Camden High Street with its wide variety of diverse shops, bars, restaurants and leisure facilities. The properties are to the west of Camden Lock and the renowned Camden Market. Camden Town Underground Station (Northern Line) is approximately ½ a mile to the south west of the subject properties and numerous bus routes run along Camden Road and Camden High Street connecting to the West End and North London. A location plan is attached as **Appendix 1**.
- 2.3 Even though the property is sited close to Camden High Street, the building is mainly surrounded on three sides by residential and the location is just outside of the main commercial centre of Camden

which we believe will have some impact on the desirability of the current building at 140-146 Camden Street to potential commercial occupiers.

### **3. DESCRIPTION**

- 3.1 146 Camden Street is a detached circa 1960's building which appears to be a building of two halves, with one side being used as office and the other more light industrial/studio uses due to the style and configuration of the building.
- 3.3 The buildings are arranged over part basement, ground, part mezzanine and part first floors with a mix of single glazed crittal windows and double glazing. We understand the whole building was originally utilised for storage/distribution of ice cream products, however it has subsequently become a building of two halves sharing a central communal entrance from Camden Street.
- 3.3 140-144 Camden Street faces onto the canal and comprises an unattractive dated building providing office space on basement ground and first floors. Currently occupied by British Transport Police for overspill space for their adjacent building but we understand they are intending to move out in the near future. The ground and first floors are mainly partitioned offices and the basement is a mixture of partitioned spaces and open plan. There is also a sizeable electricity

substation in the basement which has some natural light from one elevation. The building is mainly carpeted with perimeter trunking, Cat II lighting and spotlighting and with WCs on ground and first floors and kitchens or teapoints on all floors. There is central heating and some air conditioning which is erratic and needs upgrading.

- 3.4 146 Camden Street is situated on the corner of Camden Street and Bonny Street and provides more light industrial style space over ground and mezzanine floors. The mezzanine level has restricted ceiling height with large trusses subdividing the space. The building does not have a lot of natural light with small windows on the north elevation and some glazing on the west elevation. There are two loading doors from Bonny Street.
- 3.5 The buildings require investment both structurally and internally. Externally the roofing requires repair or possible replacement and also, whilst some of the windows have been upgraded in 140-144 Camden Street, the remainder of the window require new double glazing. Internally the space is dated and would need complete reconfiguration and massive refurbishment to try and bring it up to a modern specification that would potentially make the buildings attractive to occupiers.

We understand that there is no parking with the building and no provision currently for bicycle parking which would be essential for a modern commercial occupier.

- 3.6 We have not undertaken on-site measurement but have been advised that the buildings have the following areas:

	Sq m	Sq ft
<b>140-144 Camden Street</b>		
First Floor	495	5,328
Ground Floor	551	5,931
Basement	466	5,016
	-----	-----
Total Net Internal Area	1,512	16,275
 <b>146 Camden Street</b>		
Ground Floor	555	5,974
Mezzanine	418	4,499
	-----	-----
Total Gross Internal Area	973	10,473

- 3.7 The interior of 140-144 Camden Street was refurbished a few years ago but due to the partitioning etc will need complete refurbishment to bring it up to an acceptable standard to meet the local market. The space is basic with suspended ceilings, mixture of floorcoverings, dated central heating systems and only part comfort cooling/air

conditioning, mix of crittal and double glazed windows and no original or special features internally or externally.

- 3.8 The interior of 146 Camden Street is very basic with mainly concrete floor with painted brick walls and basic services. The building would function a lot better without the mezzanine which is difficult to fully utilise due to the roof trusses cutting through the space. This building is in total contrast to 140-144 and we believe it would be almost impossible to let both buildings to a single occupier due to the varied mix of styles and building function.

#### **4. CONDITION OF BUILDINGS IN RELATION TO MARKETABILITY**

- 4.1 We believe the buildings require investment to make them more attractive to the trendy Camden occupiers. The buildings currently do not meet the modern day standards of an office occupier. The costs of refurbishment would be enormous and prohibitive to any modern occupier who given the choice would probably take a more profile building with more modern facilities within the London Borough of Camden.
- 4.2 It is apparent that there has been some historic internal refurbishment to attempt to redesign the space to make the space more user friendly. However, as the building is constructed over a number of different levels there is no uniformity and there is no lift or disability access



which would make it very difficult for many modern B1 office occupiers to occupy and utilise for their business operations.

- 4.3 I believe that the nature and type of these buildings would have limited appeal to modern day occupiers. The space does not comply with all statutory and regulatory requirements in terms of health and safety and some of the space needs to be accessed by stairs making it impractical in terms of meeting current building regulations criteria and also for occupiers to move people and also to adequately move possessions and deliveries effectively around the buildings.
- 4.4 The building is 1960's style fronting Camden Street and is of two differing styles. The layout of the space is not ideal for commercial use being disjointed and making it difficult to create large open plan floorplates which is a requirement of many modern day occupiers.
- 4.5 In the current market it is important to have flexibility built in with regard to new build office space to increase its exposure to as wide a market as possible. Taking into consideration current market conditions and due to the current configuration of the buildings I believe this flexibility will be difficult to achieve. The current buildings are not well designed to make the most of the site and I feel it would be almost impossible to find an occupier to take occupation of the two buildings for B1 or similar use. Even if we were to consider letting the space to several smaller companies then I believe the lack of natural light in several parts of

both buildings would make some of the space very difficult to let and could result in large chunks of the building remaining vacant which would not make good commercial sense. Also even if the building was to be refurbished internally to a modern high specification and offered as two separate buildings or split into smaller units then I believe it will still be very difficult to secure occupiers for the individual office suites as the buildings are disjointed and are not uniform in terms of age and external appearance which would greatly affect the desirability.

4.6 There are new and fairly recent developments within the surrounding area and in the Camden Borough in locations that are deemed to be superior to the subject property. These have greater prominence and offer modern, light space that is compliant with all building regulations and DDA criteria, which would be infinitely more attractive to an occupier than the subject building.

4.7 The facilities and configuration provided in dated buildings of this size and type are not cost effective for potential B1 occupiers. Costs are especially important to office occupiers in the current economic climate. When occupiers are considering a building, all the costs are taken into consideration and I believe potential B1 occupiers would be deterred by the costs of maintaining an older building where there are inevitably going to be ongoing and above average overheads in order to keep the building in even a basic working order. This is another reason why occupiers will tend to take space in modern buildings as the facilities

are new and the service charge and maintenance costs are lower and more certain, so that an occupier can feel confident that they are not going to be hit by unexpected high costs. However with a building such as 140-146 Camden Street, the façade and interior are out of date and some of the facilities dated and unreliable and therefore the maintenance costs will be a lot higher and will impact on the marketability of the space to potential B1 occupiers.

- 4.8 From our experience the majority of B1 office occupiers are being drawn to modern buildings with regular floorplates, minimal columns and in prominent locations close to underground stations.
- 4.9 When considering the marketability of the existing buildings we also have to take into consideration current market conditions and demand. The commercial market has certainly improved substantially from the slump that has been experienced during the last few years, however bearing in mind the comments above the current configuration, layout and lack of modern facilities coupled with the location which is just off the main commercial pitch, this we believe would deter any future commercial tenant or tenants from occupying the space and utilising the existing space efficiently and makes the buildings, in our opinion, pretty unmarketable.

## 5. ECONOMIC VIABILITY OF REFURBISHMENT

- 5.1 If a refurbishment of the existing buildings is proposed then it is necessary to consider the definitive costs of the refurbishment in relation to the proposed income receivable from a potential B1 office occupier to ensure that it would be financially viable.
- 5.2 From our experience potential office occupiers are being more particular about the quality of the space they are taking and have a distinct preference for modern space with high specification and quality internal fit out. This is especially important for companies and organisations where their profile and presentation is as important as the work that they do for and with their clients. Companies want up to date facilities including telecoms, cabling, air conditioning and raised floors which can only be achieved with 140-146 Camden Street with a complete overhaul of the existing internal space and external fabric of the building. This would involve rebranding the existing façade and opening up all the floors to provide open plan space with minimal partitioning.
- 5.3 We would list the following interior and exterior works which would be necessary to undertake to 140-146 Camden Street and Bonny Street in order to meet the criteria of a modern office occupier.

#### 5.4 External works could include:

- i) New Roof or refurbish the existing roof structure and roof coverings
- ii) New windows or full refurbishment of the existing including repainting the frames, sills etc.
- iii) Refurbishment of the dated and unattractive façade of the building
- iv) New external doors

#### Internal works could include:

- i) Stripping out all the existing partitioning and doors throughout the buildings.
- ii) New raised floors with underfloor trunking boxes and Category V or Category VI cabling
- iii) Complete internal redecoration including new plasterboard walls and possibly suspended ceilings with integral Cat II lighting in 146 Camden Street. Complete repainting of walls throughout.
- iv) New internal doors and door frames, new skirting or perimeter trunking feeds throughout.
- v) Refurbishment of the stair areas with inclusion of emergency lighting and appropriate fire escape signage etc.
- vi) New air conditioning throughout which will involve siting condensers on the roof or another appropriate location on the exterior of the building.
- vii) Installation of at least one new passenger lifts serving all floors.
- viii) A disabled WC on the ground floor and upgrade of existing male and female WCs on each floor.
- ix) Upgrading kitchens or sizeable teapoints on each floor with sink, drainer, cupboard space and fridge as a minimum requirement.
- x) The majority of companies occupying a building of this size will also require a reception area on the ground floor which will need to be incorporated into any new specification for a refurbishment of the building.

- 5.5 The above specification is standard for the majority of new buildings or major refurbishments of existing buildings and forms the basis of the criteria required by potential office occupiers in the current market. It is also the quality of the materials used which is also imperative, especially in a building of this size where you need to have an exceptional product to attract an occupier or occupiers.
- 5.6 Based upon the criteria above a budget cost estimate for alterations and refurbishment of the building to the standard outlined above and the cost is in the region of £147 per square foot. Therefore with a building of this size, i.e. 3,159 sq m (34,003 sq ft) gross internal area, this would equate to a capital spend of approximately £4,929,000 for the works.
- 5.7 A further cost estimate for alterations and refurbishment of the building has been prepared which includes an atrium and replacement of the first floor space to improve the buildings. The cost has been estimated at £156 per sq ft which increases the refurbishment costs to approximately £5,049,000.

See Budget Cost Estimates for Alterations & Refurbishment attached as **Appendix 3**.

- 5.7 We are of the opinion that if the above works were carried out to a high office specification then a rental of approximately £20 per sq ft should be achievable. This would equate to an annual rental, based on the current net square footage of 2,455 sq m (26,426 sq ft), of approximately £528,520 per annum exclusive. It also has to be borne in mind that the modernisation of the building will also lose some useable floorspace for the provision of extra toilets, disabled WC and also the mezzanine within 146 Camden Street would need to be removed or completely redesigned which could potentially reduce the floor area by up to 418 sq m (4,500 sq ft). This would in turn reduce the total floor area to 2,097 sq m (22,583 sq ft) and reduce the annual rental to approximately £450,000 per annum exclusive.
- 5.8 Based upon the above there is a definite concern that the B1 office rental achievable may not make the refurbishment financially viable as it would take a minimum of 10 years of full rental income to recoup the refurbishment capital spend and that assumes that the buildings are let immediately with no rent free periods and that the mezzanine is retained in 146 Camden Street. It has to be considered that even if the money is spent refurbishing the building there is no guarantee that a B1 occupier could be found immediately and you would need to allow for up to 12 months possibly to secure a tenant which is a considerable void after such a colossal capital spend and in the meantime interest will mount up on any bank loan taken out to cover the cost of the refurbishment works.

- 5.9 Whilst we therefore believe that the building is unattractive in its current state for a potential B1 occupier or occupiers due to the nature of the buildings, it may be difficult to obtain finance for a full refurbishment as listed above due to the length of time it would take to recoup the costs via the rental, especially with the risk of not being able to secure a tenant for up to 12 months after the refurbishment works are completed. Also potential occupiers will also require a rent free period of minimum 3 months and up to 12 months dependent on the lease terms etc as an incentive to take a lease which further affects the viability, especially when occupiers are tending to take shorter lease terms of 2-5 years in the current market.
- 5.10 There is obviously the potential to refurbish and subdivide the building into smaller sized office suites. We believe that due as the current building is disjointed and unappealing then this would not be viable with the existing buildings and would only work if a new build could be considered. This will obviously incur considerable cost and whilst we believe there would be some demand from office operators we believe that there would not be sufficient demand to fill a large amount of small office spaces. There is also the risk of voids trying to secure tenants initially for several units and potential voids in the future as spaces become vacant.



## 6. AVAILABILITY AND DEMAND FOR EMPLOYMENT FLOOR SPACE WITHIN THE LONDON BOROUGH OF CAMDEN

- 6.1 We have undertaken a search of properties being marketed for B1 employment use and have concentrated upon the London Borough of Camden but excluding properties within Kings Cross Central and the Central Activities Zone/Central London Area. A plan is attached as **Appendix 2**.
- 6.2 In order to assess the viability and lettable/saleable of B1 office stock in the Borough it is necessary to understand the current market conditions within the immediate and surrounding areas.
- 6.3 From our research we have estimated that there is approximately 54,114 sq m (582,500 sq ft) of B1 space currently available in the postcode NW1. The largest number of available B1 office premises being 92.9 sq m (10,000 sq ft) or below. There are 10 available B1 spaces above 92.9 sq m (10,000 sq ft) with the largest development being in Pancras Square with a 10 storey building providing 14,678 sq m (158,000 sq ft) which is in Kings Cross. See attached schedule in **Appendix 3**.
- 6.4 From the above figures it is apparent that there is still currently a significantly large amount of B1 space available to let in Camden. Similarly there is a large amount of new build coming to the market

which is adding to the statistics both in highly desirable locations and in more secondary locations.

- 6.5 All the properties on the schedule are being marketed vigorously by the appointed agents who are all trying hard to achieve a sale or letting. Yet despite there being better demand for office space currently, agents are experiencing difficulty in securing suitable tenants or purchasers for their available stock for larger spaces where there are a lot fewer enquiries and also for offices that are in less desirable locations.
- 6.6 We have also researched the amount of office space let in the postcode NW1 during the last 12 months to February 2014. According to the schedule 29,888 sq m (321,727 sq ft) of B1 office space was let or sold during this period in sizes from 14 sq m (151 sq ft) up to 2,575 sq m (27,728 sq ft). There were only 4 lettings and sales transactions over 1,858 sq m (20,000 sq ft) and there are no transactions above 2,601 sq m (28,000 sq ft). The largest letting undertaken in the Borough during this period was at 64 Pratt Street, NW1 where, in June 2013, 2,575 sq m (27,728 sq ft) was let to one occupier. Please see Schedule attached as **Appendix 3**. Therefore, whilst there have been a number of lettings and sales in the NW1 postcode as a whole, the majority of the lettings are below 464.5 sq m (5,000 sq ft) and the majority of the lettings above this size were in the Kings Cross/Euston areas rather than in the subject location or within a 1 mile radius.

- 6.7 Therefore while some of the available space was taken up there remains a lot of available office stock in the London Borough of Camden and we believe it will be impossible to find an occupier for the whole building and very difficult to achieve smaller lettings that will fill the whole of the buildings to make it viable. There are not enough larger lettings or sales being done to reduce the stock level to a level that makes the existing building attractive or a potential new build office building competitive.
- 6.8 The above statistics demonstrate that there is still a sizeable amount of office stock available in the Borough with not enough lettings or sales being done to reduce the stock level to a level that makes the existing building at 140-146 Camden Street attractive or a potential new build office building on the site competitive.
- 6.9 Many of the available properties are to let on flexible leases for a term of one year upwards. Tenants are tending to opt for shorter lease terms of up to 5 years and normally with break options at the 2<sup>nd</sup> or 3<sup>rd</sup> year and landlords are having to be more flexible. The shorter terms also make it more difficult getting consent from lenders who prefer longer lease terms to provide security against any borrowings.
- 6.10 Parking is at a premium and very few second hand or new build spaces offer either a parking space or garage facility. This is especially

prevalent with new build developments where parking is extremely rare.

- 6.11 It is evident that despite lengthy campaigns by commercial letting and sales agents, some B1 spaces can suffer from a lack of solid interest if the properties are in less attractive locations or if the buildings are disjointed or dated. The majority of occupiers would have a preference for more modern office premises with Category A facilities rather than secondary accommodation which tends to be more dated. As a result a lot of the second hand spaces and buildings which are disjointed and difficult to utilise by a wide variety of potential office occupiers remain empty and at risk of dilapidating or being squatted.

## **7. GENERAL OVERVIEW OF THE B1 OFFICE MARKET**

- 7.1 We have been through a fairly turbulent period during the last 5 years but there is currently a lot more optimism in the market. There has certainly been a better demand for office space this year, although occupiers are still being very choosy on the type of space they want, location and specification.
- 7.2 Rents decreased by 30% when the market was at its lowest ebb but have since made a recovery and are now back to pre Recession rentals and even higher in more desirable locations. However

occupiers expect to get quality space for their money and therefore the tendency is to go for either modern buildings with Grade A facilities or character buildings. Unfortunately the subject buildings are not able to currently facilitate either of those requirements.

- 7.3 Whilst the market is improving the banks and building societies are still erring on the side of caution with commercial property as they definitely see it as more of a risk as it is more volatile than residential property. Even though the market has improved there is still a shortage of credit facilities available as the financial institutions are still restricting their lending, especially for the larger projects and properties where the risk is greater as there is less demand for larger properties of over (1,858 sq m) 20,000 sq ft. Also even if the larger properties are split into smaller spaces then there is the risk that only some of the space will be taken up and there are inevitably going to be voids where some of the space may languish on the market for a considerable period of time.
- 7.4 There is definitely some activity currently in the B1 office market but it is very tentative and occupiers are fully aware that they are still in the driving seat.
- 7.5 Market trends in terms of B1 office space in Camden now mean that occupiers are more particular in terms of location and quality of building. This can make it a lot more difficult to let second hand stock as occupiers have concerns about the age of the building and potential

liabilities in terms of maintenance, even if the buildings have been substantially refurbished internally and possibly externally.

- 7.6 As previously stated we have been involved with several new build schemes with office space within the immediate and surrounding areas during the last 10 years and are therefore fully aware of what is attractive to B1 occupiers. Also commercial occupiers are being even more specific in their criteria and second hand space in off pitch locations with poor facilities and poor layout would be at the bottom of the food chain and unappealing to a modern occupier.

## **8. SUITABILITY OF THE BUILDING FOR B2 & B8 USES**

- 8.1 As commercial agents in our opinion we do not consider Camden Road as a light industrial/warehouse pitch as there is a distinct lack of established B2 and B8 facilities in that location - especially where the subject site is located. There are some small garages and light industrial units around Rochester Mews but there are no defined industrial estates or large industrial and warehouse units in the surrounding area. Also it would be difficult in terms of loading and unloading as Camden Street is a one way street which makes it difficult to get deliveries to and from the building quickly and efficiently.

- 8.2 In order to prove our theory and complete a rounded picture of the local commercial market, we also focused on the B2/B8 sector to see whether there was any merit in considering the building for this usage.
- 8.3 The majority of the available light industrial and warehouse space is situated in three main postcodes, NW1, WC1 and NW5 in more established light industrial/warehouse locations and where the majority of light industrial and warehouse operators want to be sited. Examples of this would be Regis Road, NW5 and Grafton Road, NW5 which are small light industrial estates comprising several units that have been established for many years. It will be seen that there is no availability in the immediate area around the subject buildings as it is not a designated industrial/warehouse location.
- 8.4 This particular part of Camden Street is not a notable light industrial/warehouse location and it would be very difficult to try and persuade an operator to establish in a location that is not a recognised pitch. A light industrial or warehouse operator needs to ensure that they are able to achieve easy access for large numbers of lorries and large transport carriers which is not very simple with this building. Also operators of this type require easy access ground floor space with good ceiling heights which the subject building does not have and not a multi storey building on several levels and insufficient access to service the building.

- 8.5 Also there would be little point in demolishing the existing buildings to create warehouse or light industrial space as this would definitely not be cost effective. The rental for this type of space is significantly lower and would be in the region of £9-£10 per sq ft which would make a new development impossible to finance as there would not be a viable return on the investment.
- 8.6 We also believe that this use would not appeal to the majority of local residential residents as it would mean potentially several lorries or similar loading and unloading on a daily basis which would be disruptive and noisy and have an impact on the peaceful enjoyment of the neighbouring residential occupiers.
- 8.7 We therefore do not consider a light industrial or warehouse use to be a practical or viable option for the building and operators want more established light industrial/warehouse locations to site their businesses.
- 8.8 Similarly even if you were to consider retail or restaurant uses we feel this would not be viable. This is not a retail or restaurant pitch as it is away from the main shopping area of Camden and in a side street. The only occupier would be a supermarket and there is already a large Sainsburys almost adjacent. Again this would impact on the local residents if a retail or restaurant operation was to be considered for the site.



## 9. SUMMARY & CONCLUSION

- 9.1 From our Report it is evident that there is still a fair amount of B1 office space available in the London Borough of Camden, despite the substantial improvement in the market and it tends to be secondhand stock or office space in off pitch and less prominent locations that are most difficult to let.
- 9.2 Occupiers are more focussed on acquiring quality office buildings that benefit from being in established office locations and have modern facilities and regular floorplates.
- 9.3 Lease terms tend to be shorter with the majority being 2, 3 or 5 years which gives uncertainty to landlords and to the financial institutions that are backing them. Some substantial rent free periods (and other incentives) are still being offered as well as flexible in/out lease terms to attract occupiers.
- 9.4 A large amount of the office spaces available to let on flexible short-term leases for as short as 1 year upwards as landlords make every effort to reduce void periods.
- 9.5 The subject buildings are at a disadvantage to other available buildings in the area due to the diversity of the buildings on the site and its lack of cohesion. Even if the space was refurbished and capable of

subdivision into smaller office suites we believe that the external appearance of the building and its slightly off pitch location would deter some occupiers from taking office floors/suites within the buildings.

- 9.6 We have significant concerns about 140-146 Camden Street and the amount of commercial floorspace within the buildings and the viability of being able to let the space either as a whole or in part to a potential occupier due to the obvious limitations with the building that have been previously cited. Unless the building is substantially refurbished we believe it will be difficult to let part of the floorspace to office operators if the existing structures remain. We also have voiced concerns about the potential to let the buildings in smaller suites to small companies and start ups as part of both buildings suffer from lack of natural light which would make some of the units on all floors very difficult to let.
- 9.7 Occupiers are very particular about the location, quality and type of property that they will consider and want quality space at a reasonable price and with flexibility on the lease term.
- 9.8 Occupiers are looking for quality space and I would suggest open plan spaces with high ceilings and as few columns as feasible. Amenities for Grade A office space would include wooden floors or quality carpets, kitchens, WCs and disabled WCs, raised floors, air conditioning, modern lighting and electrics, broadband and video entryphone. Also a fairly good sized reception area possibly with a

conciierge and, if possible, some on-site car parking. The space would need to be DDA compliant throughout and in a building of this size there would be a need for a minimum of one lift as a basic essential.

9.9 Rents need to be competitive and especially when you have a building of this size where there is going to be restrictive demand.

9.10 With regard to the subject building, whilst it is located close to Camden Underground Station, the space is outside the main commercial area of Camden in a more residential location. This is also a more secondary location within the Borough compared to more desirable office locations such as the regenerated areas of Kings Cross and the Central Activities Zone/Central London Area where they have been designated as Enterprise Zones with the appropriate infrastructure.

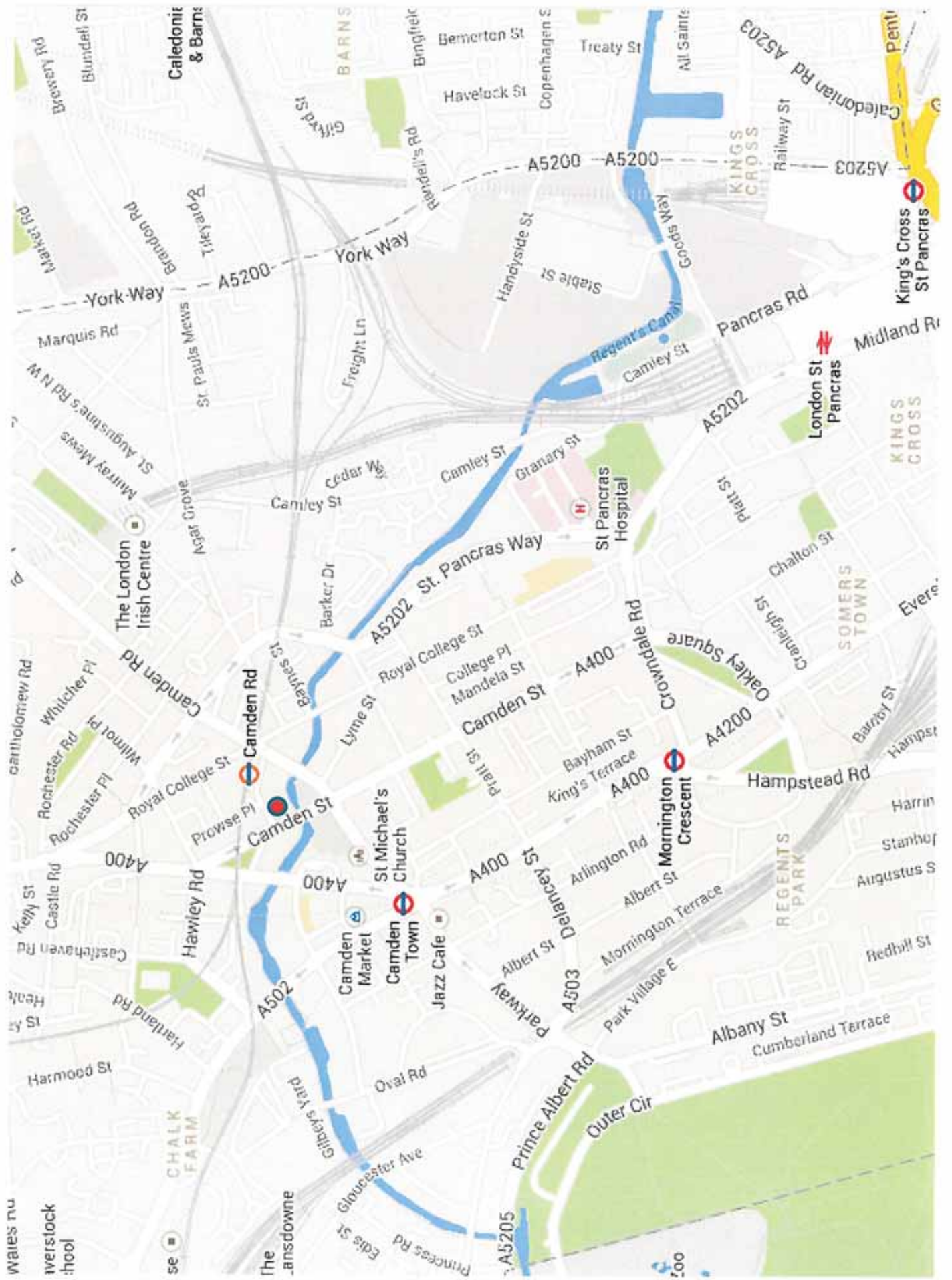
9.11 To summarise, we have commented on the commercial market in the London Borough of Camden and provided a rounded picture of the commercial market.

9.12 There are obvious concerns that an excessive amount of B1 commercial space concentrated within this one building would be very difficult to facilitate. The current buildings are not well designed to make the most of the site I believe it would be unlikely to be possible to find an occupier to take occupation of the whole site or several occupiers to take floors or suites within the buildings.

- 9.13 We believe that that even if the buildings could be refurbished to create high quality office space it will not be simple to secure commercial occupiers for the full amount of space due to the off pitch location and nature of the buildings which are currently disjointed and not pleasing to the eye. Also it has to be considered whether the costs of the refurbishment, which would be substantial and would involve complete remodelling of the existing or demolishing a large part of the site and rebuilding, could be justified in view of our comments above.
- 9.14 Therefore bearing in mind the comments above the current configuration, layout and lack of modern facilities coupled with the current market conditions would deter any commercial tenant from occupying the space and makes the space, in our opinion, unmarketable.
- 9.15 We would suggest that a lesser amount of more quality and useable office space would be more practical and attractive to the market. Whilst the location is off the main pitch, if the space is modern, open plan and with good height and light then we believe that occupiers will take a view on the location if the space matches their criteria.

**APPENDIX 1**

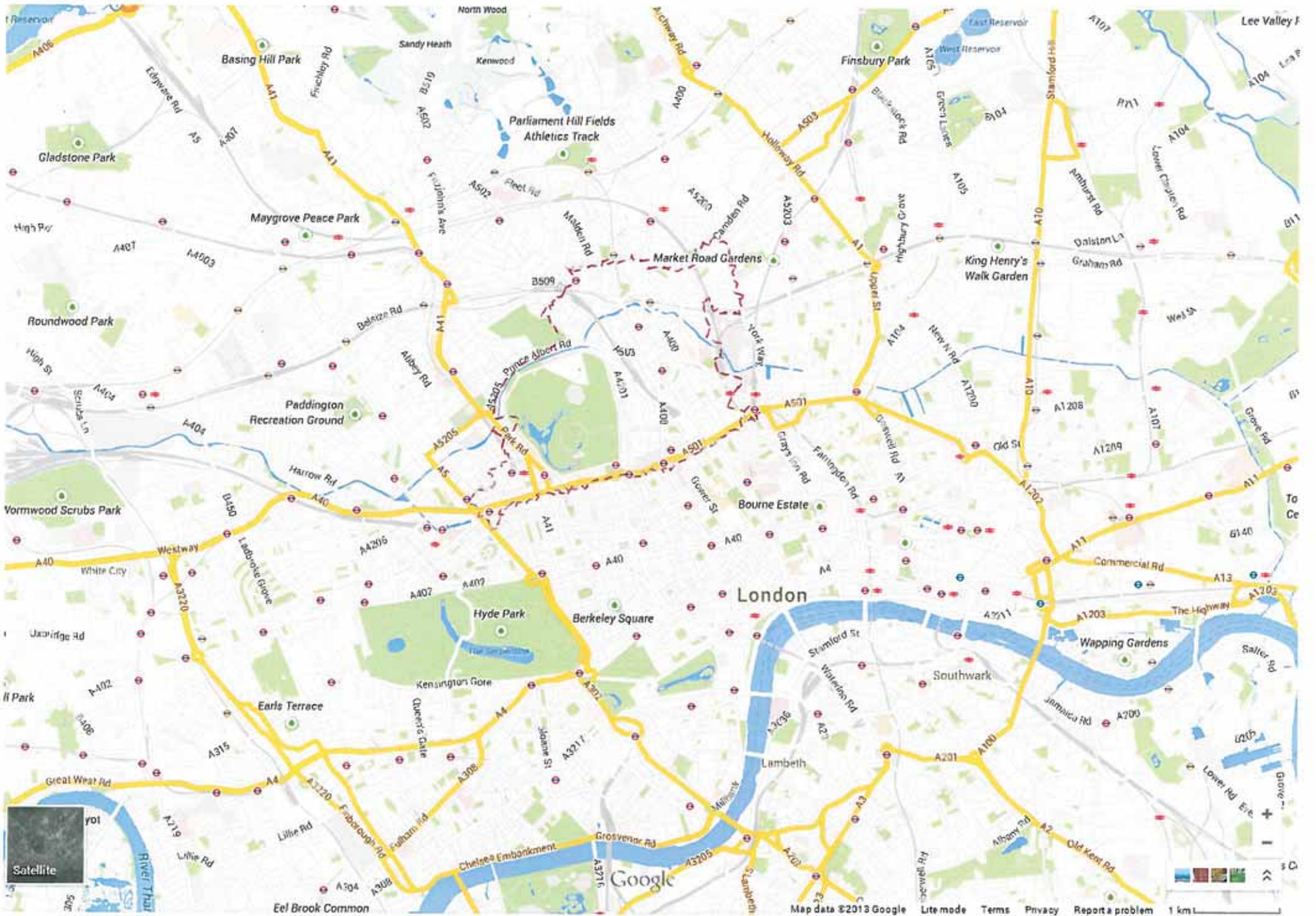
**LOCATION PLAN**



**APPENDIX 2**

**PLAN OF LONDON BOROUGH OF CAMDEN**

**AREA OF SEARCH**





**APPENDIX 3**

**ALTERATIONS & REFURBISHMENT COST ESTIMATES**

**140-146 Camden Street, London**  
**Alterations and Refurbishment**  
**Preliminary Budget Estimate Nr 1**  
**Mar-14**

## **Preliminary Budget Estimate Nr 1**

**140-146 Camden Street, London  
Alterations and Refurbishment**

**Mar-14**

**Job Nr        2553**

**BTP Group**

Chartered Quantity Surveyors  
Project Managers

48 Welbeck Street  
London  
W1G 9XL

Telephone  
**020 7725 1700**  
Facsimile  
**020 7681 2505**

[btp@btpgroup.com](mailto:btp@btpgroup.com)