

29th July 2014

Sandra Pearson
Spot Property Limited
48 Great Marlborough Street
London
W1F 7BB

Without Prejudice

Dear Sandra,

1-5 Portpool Lane, London EC1N 7UU

The Building

As you may be aware, the above mentioned building is one in which my business partners and I have worked with over the last 15 years for not only the existing owners but also the two previous owners.

Being a 1960's building, the building has generally proved to be problematic when letting vacant accommodation over the years. Historically, the building has suffered due to the general configuration of the building. The compromised reception area coupled with the lack of passenger lift has always been concerns pointed out when showing prospective tenants over the building. In turn, these concerns have had a detrimental impact on the lettable of the floors.

One other element which I believe has become more fundamental particularly over more recent years is the fact that the building is not DDA compliant. Over the years, previous owners have investigated the possibility of making the building more DDA friendly but due to the current configuration this simply isn't possible.

With our local City Fringe market today being dominated by office requirements from the Technology sector in particular, the building has struggled further due to building it not being able to provide the right modernised office accommodation both practically and visually. Requirements for fully accessible raised floors, better insulated buildings and fibre optic capability are all key requirements for local occupiers within our local market which the building is simply unable to provide. In turn, the lack of these amenities is making un-modernised buildings of this nature difficult to lease.

One final point worth mentioning which I know we have discussed on other local schemes is today's demand from occupiers for both bicycle storage and shower facilities. We find more and more people cycle to work and I have pointed out my



concern as to how these are unable to feature within 1-5 Portpool Lane.

Whilst Gray's Inn Road is a relatively attractive location for office occupiers, Portpool Lane is a side Street with a residential character. It is not considered a location that is attractive to office occupiers and whilst there may be interest from the secondary office market there is considerable availability of accommodation from this sector locally. A further concern is that the adjoining housing is social housing which is a further deterrent for occupiers.

Local Availability

At present there is a considerable amount of office accommodation available in the local area. This includes a mixture of sizes, ages and quality. Any future demand can be met by local provision in the area.

Location & Transport

With good easy access to both the City and the West End, the transport links are excellent. National Rail services as well as the Circle, Hammersmith & City and Metropolitan tube lines run from the recently refurbished Farringdon Station which is within a 5 minute walk.

Thameslink provides direct access by rail into Farringdon Station from the north and south. Towns with direct links include St Albans, Brighton, Wimbledon and Sevenoaks.

Chancery Lane is also close by providing easy access to both the City and West End via the Central Line.

In addition, there are plenty of bus routes to all parts of the capital, and many Boris Bike points in close vicinity to the building.

King Cross

The area around King's Cross has undergone significant transformation in recent years. Argent's development behind King's Cross which provides approximately 3.4m Sq Ft has attracted global names such as Google (165,000 Sq Ft), Guardian Media Group (Approximately 200,000 Sq Ft) and a host of other businesses to the area for their headquarters buildings; it will also become home to a number of charitable, educational and artistic organisations such as The Art Fund, The Francis Crick Organisation and the University of the Arts London.

About Hatton Real Estate

All the 3 equity partners of the Hatton Real Estate have collectively over 40 years' experience in the office agency market, which we would strongly consider as our niche and passion.

During the course of 2013 Hatton carried out in excess of 127 leasing transactions totalling close to 537,254 sq ft in the City Fringe.



Our long established involvement in the area and track record enables us to provide the best and most relevant advice to our clients when carrying out refurbishment / redevelopment projects.

I hope the above is useful. Should you require any further information or you would like to discuss any of the above in further detail, please do not hesitate to contact me.



Kind regards,

Ricky Blair

Director

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