

COMMERCIAL

YOUR REF:
OUR REF: ncc/bw-corr-2151014



12th January 2015

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Attention: Sundeep Bhavra

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ESTATE AGENTS
SURVEYORS
VALUERS
ARCHITECTS
DEVELOPMENT CONSULTANTS
PROPERTY MANAGEMENT

Dear Mr Bhavra

Re: Unit 6, St Pauls Interchange, St Pauls Crescent, Agar Grove, London NW1

Introduction & Letting of Part or Whole

Since August 2006 Christo & Co have been instructed to let 1, 3, 4 and 5 at 44 St Pauls Crescent. Christo & Co were instructed by the current landlord Unit 6 St Pauls Crescent, that they would be interested in letting their unit should there be an opportunity based on interest at the time from the other units listed above. That should an office applicant wish an alternative, Unit 6 commercial space on the ground floor would be made available. Therefore Christo & Co advised all interested applicants that Unit 6 St Pauls Crescent would be available as letting also.

From the initial instructions and against our best efforts we have concluded that the location and the property do not lend itself as an office premises.

Through our thorough marketing it was established that there is no demand for users in this location requiring live/work units of offices of only up 900 Sq Ft. Consequently we have had very few applicants to rent the building despite our intensive marketing efforts.

The more popular 'live/work' applicants are often artists, sculptors or more industrial type users who require less specialised 'live/work' units more 'warehouse', cheaper and less luxurious living conditions.

Letting of the Office

Christo & Co initially believe that marketing such ground floor units, separately as brand new would be very easy to let. This was based on the firm's historical transactions within the local area. But we failed to let these premises. After evaluating as to why the unit was not let, the primary factor was its location.

The subject property is located too far from the underground (20 minutes walk from Camden Town) and a bus ride from Kings Cross. There is also a distinct lack of high street facilities in close proximity of the buildings i.e restaurants, banks Post Office and shops. Further evidence of this can be seen in the conversion of a Public House on Agar Road to flats, further reducing amenities that an office user would want to have in the immediate area. There is a lack of adequate parking in the immediate area to serve the transient customers or office visitors as the surrounding parking bays are heavily restricted. The area is not served by the usual office amenities that are found in more central and better connected commercial locations. The area is also known as a residential area and not as a commercial location.



A list of the directors is available for inspection at the Registered office.

Christo & Co is the trading name of C Christo & Co Ltd. Company Registration No. 02813084. Registered in England & Wales. Registered Address: Solar House, 282 Chase Road, London N14 6NZ

Examples of other offices of similar size let in the Camden area are:

	SIZE Sq Ft	RENT (PAX)	DATE	LENGTH OF TIME ON MARKET
187-189 Royal College Street	600	£13,000	Jan 2010	12 Months
15 Leighton Place	1,500	£25,000	Dec 2009	12 Months
136 Royal College Street	1,200	£30,000	Dec 2010	3 Weeks
66 Rochester Place	1,700	£21,000	Jun 2009	6 Months
89-91 Bayham Street	1,200	£23,000	Jan 2008	24 Months
152-6 Kentish Town Road	800	£12,500	Sept 2008	5 Months
74A Rochester Place	360	£14,100	Nov 2008	13 Months
66 Rochester Place	1,700	£25,000	May 2012	5 Months
Deane House Studios	1,500	£20,000	May 2012	8 Months
Deane House Studios	1,300	£20,000	May 2012	8 Months
Highgate Business Centre 4 th Floor	3,000	£46,000	June 2012	9 Months
Part 4 th Floor, Highgate Bus Centre	3,000	£46,000	Jan 2012	6 Months
Part 3 rd Floor, 17 & 22 Deane House Ground Floor & Basement,	3,000	£41,658	Apr 2012	3 Months
120 Kentish Town Road	1,264	£15,000	Oct 2012	21 Months
Part 4 th Floor, Highgate Bus Centre	2,000	£28,000	Oct 2012	4 Months
Part 1 st Floor, Fusion House				
28 Rochester Place NW1	1,300	£28,000	Oct 2012	4 Months
Part 1 st Floor, Fusion House				
28 Rochester Place NW1	2,400	£52,500	Nov 2012	3 Months
2 nd Floor, 66-70 Parkway NW1	1,000	£25,000	Feb 2013	3 Months
1 st Floor Front, Highgate Bus Centre	2,000	£24,000	Mar 2013	4 Months
Part 4 th Floor, Highgate Bus Centre	2,000	£28,000	Mar 2013	5 Months
Ground Floor, 15 Leighton Place	1,500	£28,000	Apr 2013	6 Months
2 nd Floor Rear, Star House, Grafton Rd	1,446	£15,500	Aug 2013	7 Months
2 nd Floor, 67A Camden High Street NW1	634	£10,000	Aug 2013	12 Months
Ground Floor, 5A Delancey Passage NW1	640	£19,000	Sept 2013	1 Month
Ground Floor Rear, Highgate Bus Ctr	3,000	£38,000	Sept 2013	5 Months
Ground Floor & Mezzanine				
148 Kentish Town Road NW1	1,195	£45,000	Dec 2013	1 Month
1 st Floor, 66-70 Parkway NW1 7AH	1,000	£30,000	Dec 2013	8 Months
2 nd Floor Rear, Highgate Bus Centre	3,000	£42,500	Dec 2013	5 Months
Ground Floor, 61 Leverton Place NW5	1,290	£25,000	May 2014	4 Months
3 rd Floor, Highgate Bus Centre NW5	3,000	£46,000	Jun 2014	6 Months
Ground Floor, 5 Rochester Mews NW1	2,700	£76,950	Jun 2014	4 Months
Ground & 1 st Floor, 59 Bayham St NW1	1,157	£24,600	Jul 2014	1 Month
3 rd Floor, 191 Royal College Street NW1	620	£15,000	Sep 2014	3 Months

Christo & Co Historical Transactions

An Analysis of the above lettings will show that the locations are all reasonably central, close to all amenities – without parking.

There is a huge amount of vacant office space in Central London, so rentals are softening, except prime locations or niche properties. This is affecting rentals and demand in Camden and the surrounding areas.

Although occupiers are moving from Central London to close surrounding areas including Camden to reduce their costs, this factor has not helped the letting of this particular property.

We also anticipate this problem to increase as the upcoming Kings Cross Argenta development reaches occupational readiness for tenants. We believe there will be a massive digresses in office users moving towards this development.

Furthermore, the current market conditions have been beneficial to tenants, who are not renegotiating terms on either existing space or able to secure new space at a large discount, therefore keeping the amount of vacant office space high.



Marketing of the property

Please see the previous attempts to market the subject property.

Registered Applicants

As the leading commercial agent in North & North West London we continuously receive enquiries for offices letting and have received many enquiries for such offices. But as mentioned earlier the issues with the subject property are hard to overcome.

Christo & Co has a monthly Office List that is sent out by post and email, this list contacts approximately 500 registered applicants seeking offices in the Camden Town vicinity. Through our commercial board presence in the Camden, when applicants call to ask about other office space, which is similar to the subject property, we also advised that applicant about the subject property as a possible alternative.

E.mail Marketing

We also send it out monthly by www.each.co.uk (Estate Agents Clearing House) which is a web based email programme. Through this medium we sent details of the subject property monthly to over 2,000 registered agents nationwide, who may have their own Client requirements. The property was sent out at the cost of £1.100

Direct Cavassing

The property was also sent out to specific users in specific market sectors that Christo & Co thought would require such space. The markets that we targeted were: Solicitors, Accounts, Insurance Brokers, Advertising Agencies, Web companies, Fashion Designers, Media companies and Architects in the areas of: N1, NW1, NW3, NW2, NW5, NW6, N7, N8, N10 and N19.

This direct canvassing was done on three occasions to over 1,500 companies at a time at a cost of £80/item including Brochure (enclosed property brochure).

Total Cost £1,200

Website

The property is also on Christo & Co webside that annually attracts about 20,000 users.

Total Marketing Costs £2,300 + VAT

Conclusion

Christo & Co were always minded of the available space at Units 1, 3, 4, & 5 St Pauls Crescent and always advised all applicants on viewings that Unit 6 is available should it be of interest. It is our conclusion that St Pauls Crescent is not an office location, it provides none of the expected office amenities that are needed in today's competitive office market. The site lacks good transport links and the immediate does not benefit from ample parking space. We recommend you see our report covering our efforts to let Unit 1.

Yours sincerely

A handwritten signature in blue ink, appearing to be a stylized 'S' or 'C' followed by a flourish.

Christo & Co