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Consultant Chartered Surveyor

**REPORT  
ON THE DISPOSAL BY RENT OR SALE OF  
28-30 HANWAY STREET, LONDON, W1T 1UL  
AND THE RELOCATION OF THE HEADQUARTERS OF E I ROGOFF LTD**





**James Lewis and Company**

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The Directors  
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Dear Sirs

3<sup>rd</sup> April 2014

Re: E I Rogoff Ltd Relocation

Further to our recent meetings this Report outlines the response we have received following the marketing campaign over the last 12 months, with the objective of securing tenants for 28-30 Hanway Street.

This follows the initial brief whereby you instructed us to either find tenants who would rent the premises in whole or in part. The target rental for the property was agreed at £20 per sq.ft for the Basement and £40 per sq.ft for the Ground and Upper floors, taking into consideration the relative poor state of the building.

We have had some nine viewings of the property from interested applicants over the last twelve months or so, but unfortunately none of these have resulted in an offer to rent the premises at any level.

Perhaps this is not surprising as you'll appreciate the building requires substantial investment to bring it up to modern day office space (arguably even for short term lets and there is no lift).

We would comment on the overall situation as follows:

1. The Current Market

The current market in the immediate area around Hanway Street for both rental and freehold properties is relatively competitive, particularly for well-presented properties. Unfortunately 28-30 Hanway Street does not lend itself to modern office requirements and the basement is considered to be purely ancillary, principally only suitable for storage.



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**2. Sale or Rent**

We understand it is no longer necessary for E I Rogoff Ltd to be situated in the heart of Soho, with the attendant costs and particular access issues to the current premises.

We have discussed you relocating the business outside the Congestion Charge area and I'm sure we can find alternative premises that would be more suitable and less costly than your current building.

Perhaps we should consider the alternative option of selling the building and we should meet to discuss this.

**3. Target Price for Sale and Quoting Rent for 28-30 Hanway Street**

Moving to the letting market and the unmodernised condition of 28-30 Hanway Street, we initially strongly recommended not over-quoting the rent in order to attract viewings, and accordingly set the rent levels as stated above.

However, having shown the premises to some 9 prospective tenants, we have not had any offers and now believe we would have to substantially reduce the rent to attract tenants and/or offer substantial rent-free period inducement. Even reducing the rent significantly may still fail to attract tenants as the ongoing Frogmore Scheme comprising the proposed development at Hanway Street/Oxford Street and the massive Cross Rail project is clearly having a negative impact on the working environment.

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The office does not have a lift which is also a major negative.

As discussed In-going tenants are also seeking and receiving inducements for committing to leases and we therefore anticipate that if we could identify a tenant, they would seek a rent free period of at least 6 months.

As you are aware we have run a comprehensive marketing campaign in order to find tenants. However, having had little or no interest from prospective tenants, we recommend we discuss the sale option and are confident that we will receive an offer that would be acceptable.

The freehold market remains strong for relatively small lot sizes such as 28-30 Hanway Street. This is due to the lack of supply and an increased number of owner/occupiers wishing to purchase. Capital growth on property can be far greater than savings and deposit accounts. There are also various ways in which small businesses can buy their own building (via pension funds, etc) which make the prospect of paying rent to one's own pension vehicle very attractive.

In addition to the operational benefits, the release of capital funds from the sale of 28-30 Hanway Street would allow funds to be used to support and develop the company. It is clear that suitable offices would be available at a much lower overhead than the current property.

There would also be developers who might seek to convert this property to part residential, which I know is an opportunity that the company has considered previously.

Equally, we are confident we could find alternative premises for your company and we have discussed a target area of North Camden, and locations outside Congestion Charging and we also suggest that you consider widening the radius even further.

It is clear that the huge development programmes adjacent to the building are creating problems for your business and this is likely to intensify through to 2016 and beyond.

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#### 4. Marketing Strategy to Date

In respect of marketing activity over the last 12 months we have undertaken the following:

##### Direct Tenants Targeting

Given the size of 28-30 Hanway Street we have contacted many of the potential tenants in the area as these smaller companies may be under represented. This has generated several prospective tenants that have viewed the property, but also interest from parties considering freehold acquisitions in the area.

We have circularised and telephoned many tenants in the surrounding vicinity and discussed 28-30 Hanway Street with a broad spectrum of central London agents, and made them aware that 28-30 Hanway Street is available for rent or possibly acquisition and have contacted them regularly.

We have also continuously monitored tenants who are potentially moving to ensure that they are aware of the property and ensured that they receive the details.

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### Letting Board

A 5ft x 4ft board has been located to the front of the property in order to pick up passing enquiries in Hanway Street from March 2013.

### Brochure

We have produced in house details which include colour photograph, location map, description of the premises and floor plans.

### Mailing

A brochure has been mailed to the following user groups:-

- Existing Clients, City and West End property agents
- Property Investors
- Relevant enquiries on our database
- Relevant enquiries received

### Website

Your property is already featured on our website.

## 5. Brief for Potential New Premises

Size: 2,000 – 2,500 sq.ft  
Ideal Location: North Camden, Kentish Town,  
Areas outside Congestion Zone

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Quality: Well presented office space ideally with parking for one or two vehicles.

Fit Out: To accommodate 16 staff including board room

Specification: Air conditioning or comfort cooling

#### 6. Timings

We have marketed the property since March 2013 and whilst there have been a number of viewings we have not received an offer to rent the premises. More positive interest has been received for the purchase of the freehold and we are confident we can achieve an offer in excess of our target price of £3.5m.

We understand that you will wish to discuss the position and your options with your fellow directors whether to continue seeking tenants or to re-market the property focusing on finding a purchaser.

Typically we would allow at least 6 months for the acquisition of new office premises. This usually breaks down to 2 months for the search and negotiations, 1 month for legal process and 3 months for the fit out, depending on requirements.

We look forward to discussing this further with you in the coming weeks.

Yours truly

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