

# **MARKETING REPORT**

**30 LEIGHTON ROAD  
KENTISH TOWN  
LONDON  
NW5 2QE**

**HOWELL BROOKS & PARTNERS LLP  
CHARTERED SURVEYORS  
78/79 LONG LANE  
LONDON  
EC1A 9RP**

**AJM/1.125**

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Howell Brooks & Partners LLP  
78/79 Long Lane  
London  
EC1A 9RP  
Telephone: 020 7643 2000  
Fax: 020 7643 2001  
www.howellbrooks.co.uk

## 1. Instructions & Introduction

On the 1<sup>st</sup> September, I, Andre John Miles FRICS, was formally instructed by the Trustees of the W David & Sons Ltd 1991 Trust to comment on 30 Leighton Road, Kentish Town. London NW5 2QE and specifically its likely demand to an occupier.

Neither my Firm nor I have had any previous involvement with the property. I would further confirm that neither my Firm nor I personally has any direct financial involvement in the property.

I am a Fellow of the Royal Institution of Chartered Surveyors and head the Professional Department of Howell Brooks. Since entering the profession in 1972, I have been involved in all aspects of commercial property and more recently, I have concentrated on the professional area with particular emphasis on asset management and property realisation.

I have extensive experience acting for owners and occupiers, lessors and lessees in the capacity of Expert Witness. I have given oral evidence on a number of occasions including in Courts of Law.

My Firm, Howell Brooks & Partners LLP are Chartered Surveyors established in the City of London in 1818. We act as Consultants to a number of leading Institutions, property companies and occupiers. As a Practice we have a particular expertise and experience in the City of London and Inner London Boroughs. I consider that I have the required expertise to comment in respect of this matter

The purpose of the rest of this document is to outline the existing office market situation and outline the suitability of the existing building to meet tenant requirements within Kentish Town, and what alterations would be necessary to make it suitable.

## **2. The Property**

The initial requirement of this report is to highlight those aspects of the existing property, which, in my view, would have a direct bearing on tenant demand. In this regard the relevant aspects may conveniently be summarised below

### **Configuration**

The property is dominated by the “The Postmens Office” which has a Grade 2 listing. This building was originally a sorting office and as such is prominently of an industrial nature with a pitched slate covered roof supported on steel trusses. This space has been reconfigured internally to incorporate an internal mezzanine

In addition to the main building there are a number of adjacent or linked structures of various ages which are utilised as offices, studios and storage. The majority of these structures could only be utilised as ancillary to the main building. They have no separate access and as standalone structures have limited facilities. Toilet facilities are limited and whilst linked to the main building by a glazed structure are physically divorced from other parts of the property.

The toilets comprise an area of no greater than 13 m<sup>2</sup>, and this area includes cleaner’s cupboards. For a building extending to some 543 m<sup>2</sup>, the property is under provided in terms of toilet accommodation.

Further, changes in levels, even between the main building and the toilets represents an additional challenge to the operation of the property and would render the property unsuitable to occupiers with disabilities without significant adaptation.

### **Specification**

The main structure “The Postmens Office” is as previously stated, of an industrial nature. The pitched roof has limited insulation with a number of glazed roof lights. Whilst this provides reasonable natural light to the premises it also results in heat loss in the winter and substantial solar gain and glare in the summer. The fabric screening installed by the current tenant is evidence of this problem.

Along the western side of the main “Postmens Office” structure a mezzanine floor has been installed. Whilst this has increased the overall net floor space within the building it has, at the same time, compromised the quality of the floor space. The area beneath the mezzanine has a limited clear headroom of approximately 2.01 m and with limited natural light. Whilst this area would be included within the definition of “Net Internal” area within the current RICS measuring guidelines it would be stated as a separate area and to which a lower rental unit rate would be applied as it is unsuitable for office use.

Many of the ancillary structures have limited or no natural light and/or ventilation and again would be regarded as unsuitable for offices. At best such accommodation would be suitable



for periodic use such as meeting rooms but realistically areas such as the “safe” would only be suitable for storage.

From the measured drawing provided I believe the net internal floor space of the existing property to be 543 m<sup>2</sup>. (This excludes all circulation space including the entrance lobby)

From this area I would deduct the following areas as being substandard and ill-suited of office use for reasons stated above.

Restricted headroom beneath the mezzanine	55 m <sup>2</sup>
Safe	32 m <sup>2</sup>
Store rooms and library recess	19 m <sup>2</sup>

The deduction of these areas leaves a true net usable office space of 437 m<sup>2</sup>. I have not deducted areas such as the kitchen which could be utilised as offices notwithstanding its current use. It is a moot point as to whether the meeting room, which has no natural ventilation and limited natural light, should be considered as fully usable space. I would consider it more suitable for occasional use, which reflects its actual use. If this area were excluded the true net usable space would be reduced to 404 m<sup>2</sup>.

Further given the configuration of the existing buildings there is a reasonably sustainable argument that part of the main office area within “The Postmens Office” cannot be fully utilised as it provides the only access route to the rear of the property. If one were to set aside an area as a “notional corridor” it would reduce the true net usable space by a further 40 m<sup>2</sup>.

### **Summary**

Whilst certain areas of the property such as the studio to the rear may come close to what would be acceptable to prospective occupiers, the lack of independent access, configuration, shared and limited facilities precludes this space from being independently occupied. The property cannot realistically be let in parts.

### 3. Commentary on the Area

The property lies within Kentish Town and within The Kentish Town Conservation Area

The immediate area has, along with many other inner London areas experienced (albeit lagging behind Islington and Camden) regeneration and gentrification.

The property lies within an area which is a mix of residential and commercial properties. Leighton Road is predominantly residential and to my knowledge the subject property represents the only office premises having direct frontage onto this Road.

Although an active commercial centre, Kentish Town has never been regarded as an established office location with few bespoke office developments. Indeed property research companies such as Costar do not recognise Kentish Town as a defined sub-market for which statistical information is available. Much of the non-retail commercial activity is centred on the Industrial Area to the west of Kentish Town Road.

#### **Occupier Demand**

Kentish Town supports an eclectic mix of commercial uses but with few large occupiers. The majority of tenant demand is for small self-contained premises and whilst some tenants will accept and indeed seek more “characterful” premises it is against a background of such being well serviced and well specified.

It is interesting to note that at the time of writing this report there were only three office suites being offered on Costar as available within a quarter mile radius of Kentish Town Station. The suites being offered ranged from 300 sq. ft. (27.9 m<sup>2</sup>) up to 5,177 sq. ft. (481 m<sup>2</sup>) but with two of the suites forming part of larger buildings, being neither fully self-contained nor offering an individual identity.

#### 4. Conclusion and Recommendations


At present it is only appropriate to consider the property as a whole. A building which is poorly configured incorporating a number of disparate poorly specified structures and structures which are suited to differing uses. Against that background the demand for the property as a whole would be very limited, and it is difficult to envisage a user whose actual use could effectively embrace this mix of uses and also be prepared to embrace the other shortcomings. Indeed it is worth noting that CoStar which has a rating system based upon a building's characteristics including architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third party certifications and detailed property type specifics (but not location) rate the property only 2 star out of a possible 5.

The existing property and site would not be considered suitable for offices. Prospective occupiers are looking for better specified and preferably self-contained accommodation. Unfortunately "The Postmens Office" as currently exists is not able to satisfy this demand.

The proposed scheme of which I have had sight, creates a self-contained, well specified, office/commercial unit totalling 403 m<sup>2</sup>. This figure excludes the commercial areas of the live/work units which increases the commercial element to 458 m<sup>2</sup>. Each should find a ready market.

Notwithstanding this, the proposed scheme with the dedicated walkway and access, along with the arrangement of the mezzanine and staircases allows for future sub-division, with independent access to accommodate a range of business sizes/commercial space.

Finally, if one adopts the employment density criteria set out within the "Employment Densities Guide (2<sup>nd</sup> Edition)" "Guidance Note 4.43 (Density Variance through building age)" the proposed scheme would support up to 35 employees (FTE Full-Time Equivalent as defined within the guide). (Excluding the live/work space). Depending upon what area one adopts as the true net usable office space within the existing buildings, at best the existing buildings supports 28 employees and at worst 23 employees.

 7/9/15