

Appraisal of the suitability of 136 Gloucester Avenue for employment use together with a comparison with 10-12a St Georges Mews.

Instructions

I have been asked by Rolfe Judd to provide my opinion on the suitability of 136 Gloucester Avenue for conversion to B1 employment use. In addition, whether this building is capable of providing equivalent accommodation to that in existing use 10-12a St Georges Mews.

I inspected both properties on 29th September 2016 and was able to access all of the accommodation in both.

Experience

This report was prepared by David Matthews BA MSc a Director at Dutch & Dutch (Commercial) Ltd.

David has been advising on commercial property matters in the North West London area since 2000. He has acted in the sale, letting and acquisition of some three million sq ft of office, industrial and retail space.

He has acted on behalf of both private and institutional landlords of commercial property including Local Authorities, Government Departments, Family Trusts, FTSE 250 companies as well as small and medium sized businesses and private individuals.

136 Gloucester Avenue

Background

The buildings at 136 Gloucester Avenue were in commercial use B1/B2 for over 50 years until 2011 when the site was purchased by the current owner. Planning was granted in 2013 to convert the building to residential units and construction was completed in 2014. The site is currently in C3 residential use.

The proposal is to convert one of the three units to B1 commercial use and this report examines the suitability of such a change.

2016/3556/P	Flat 5 136 Gloucester Avenue London NW1 8JA	Change of use from a self-contained 3 bed residential unit (C3) to office (B1a) (no external alterations)	REGISTERED	19-07-2016
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The Site & Access

The site is accessed through an archway from Gloucester Avenue and down a short driveway. The driveway being accessible by pedestrians and small vehicles.

At the end of the driveway a small shared courtyard provides amenity space for the three units including adequate bin storage, meter cupboards and space to park 1-2 cars.



The archway and entrance area is in excellent condition and makes for a very attractive entrance to the properties.

The Property

The subject property is currently arranged as a 3-bedroom house over three floors. The Gross Internal Area is approximately 285m² (3,066 ft²).

The entrance hall leads to a central staircase and also provides access to the ground floor reception rooms which connect behind the staircase to create a large, bright open plan space.

The ground floor also comprises a WC, kitchen and utility room.

The first floor comprises three large, double bedrooms all with en-suite bathrooms.

The second floor comprises a small reception room and access to a roof terrace.

The Proposal

The proposal is to convert the property into B1 office accommodation which would deliver office space over two floors as follows:

Net Internal Areas

Ground floor	122.3m ²	(1,312 ft ²)
First floor	89.2m ²	(960 ft ²)
TOTAL	211.5	(2,275 ft²)

I understand there would also be ancillary storage space for each of the office floors. Each office floor would have WCs and kitchen facilities.

Given the quality of the existing accommodation the office space will to be delivered to a very high specification.

The existing building is cleverly designed to maximise daylight.

The existing building will have been built to the latest building regulation standards for residential accommodation and will therefore be thermally and acoustically insulated beyond the specification normally required for commercial space.

Flexibility of space

Key to the success of any office scheme is flexibility in the space offered. Space must be suitable for the types and size of businesses who require accommodation.

Having studied the plans provided it would appear that the property could be offered to tenants in a number of different 'self-contained' formats including:

1. Whole building 2,275 ft²
2. Individual floors 1,312 ft² / 960 ft²
3. Individual units 150ft² +



It therefore follows that the building is capable of accommodating from 1 up to 6 separate businesses in a range of different sized units.

It is established practice to assume 75 ft² of office space can accommodate 1 person. The building would therefore accommodate small starter businesses of 1-2 people up to larger companies of 30 people.

A good option would be to split each floor is split into 3 units arranged approximately as follows:

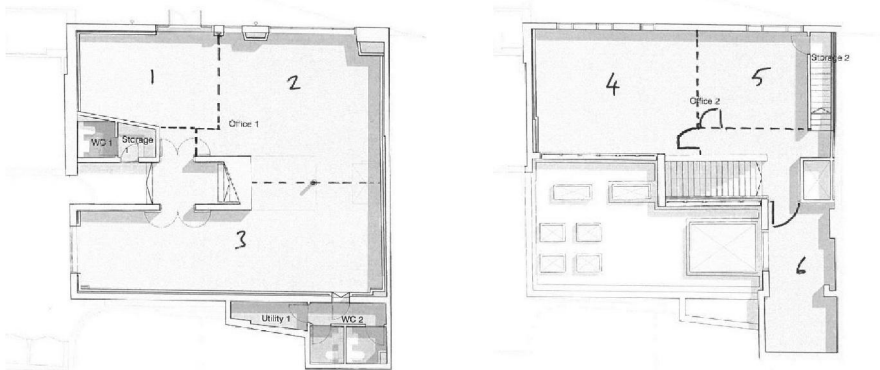
Ground Floor

Unit 1	250ft ²	company of 3-4 staff
Unit 2	550ft ²	company of 7-8 staff
Unit 3	500ft ²	company of 6-7 staff

First Floor

Unit 4	400ft ²	company of 5-6 staff
Unit 5	200ft ²	company of 2-3 staff
Unit 6	150ft ²	company of 1-2 staff

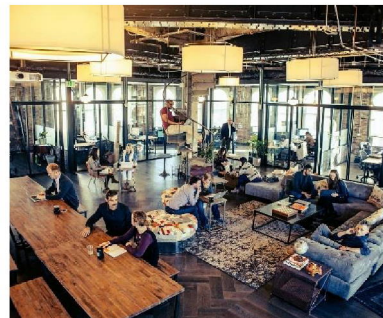
Diagram showing building split into 6 units:



Office space for co-working

Small companies, individuals and freelancers are increasingly looking for opportunities to use available office space for co-working. Successful operators in this field understand the importance of flexible tenancy arrangements, high quality specification and prime locations.

This building would also potentially make a superb, boutique style, co-working space for local business people.





Quality of space

The quality of the office accommodation likely to be offered in this scheme would be unparalleled locally. Whilst there is a small selection of office developments within the immediate area, none are of a high specification and indeed some are now very tired and lacking in investment.

Tenants are demanding space more akin to the quality offered in schemes such as 'WeWork' who offer high spec, modern accommodation on flexible terms:



In addition this building offers level access from the street and would therefore be suitable for occupiers requiring disabled access.

Office demand

The demand for office accommodation in the immediate area is currently exceptionally strong with very little suitable office accommodation available. In our experience, the office accommodation which is on the market is generally dated and lacking investment.

For commercial offices, based upon the latest estimates of office-based employment growth in London, we estimate an additional 4 million sq ft commercial office space is required every year...

Savills 'London's Balancing Act' May 2016



Comparison with 10-12a St Georges Mews

I understand that a proposal has been made to swap the commercial office use within St Georges Mews with the residential use at 136 Gloucester Avenue and that a comparison of the two sites would therefore be useful.

St Georges Mews

The Property

This building was built as a three storey commercial building, probably a factory, in the 1950s. It is currently occupied as offices by 4 companies:

Unit	Tenant	NIA	Approx. number of staff
Ground floor (a)	Sarah Radclyffe Productions	61.7m ²	3-4 staff
1st floor (right)	Wixen Music UK Limited	60m ²	4-5 staff
1st floor (left)	Jonathan Korn	36.5m ²	1-2 staff
2nd floor	Triyoga (UK) Limited	68.2m ²	10-12 staff

Externally, the building is not particularly attractive and is looking tired and dated.

The ground floor office accommodation has its own entrance from the Mews. However, there is currently no level access from the street and the property is therefore not accessible to the disabled.

The first and second floors are accessed via an external staircase which is in poor condition.

Internally, the office accommodation is in reasonably good condition. However, the floor to ceiling heights are low and secondary glazing has been added to the original windows to mitigate the draft and to retain heat.

Flexibility of space

St Georges Mews is arranged as follows:

Net Internal Areas

Ground Floor	84.9m ²	(913 ft ²)
First Floor (office 3)	36.5m ²	(392 ft ²)
First Floor (office 4)	37m ²	(398 ft ²)
Second Floor	68.2m ²	(733 ft ²)

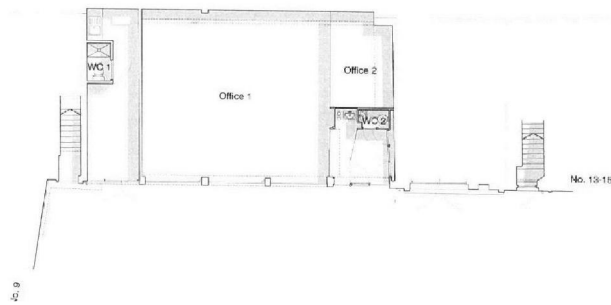


Whilst it would be possible to combine the first floor units into one I can't envisage how it would be possible for a single tenant to occupy more than one floor given that there is an external staircase.

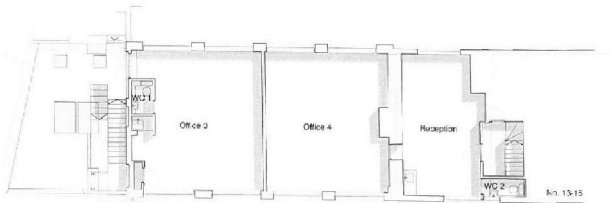
Similarly, it would not be possible to divide the first or second floors into more units.

The existing entrance to the first floor right hand side is via a staircase in the neighbouring building. This has created an entrance lobby which is inefficient.

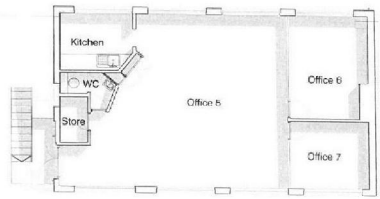
In my view therefore the accommodation offered in this building is limited to its existing layout and does not offer the flexibility required by modern office occupiers.



Ground floor, St Georges Mews



First floor, St Georges Mews showing access to left hand unit from external staircase and access to right hand unit via neighbouring building and through an inefficient reception area.



Second floor, St Georges Mews showing access via external staircase and no possibilities of subdividing floor.



Photographic comparison of St Georges Mews and 136 Gloucester Avenue

St Georges Mews	136 Gloucester Avenue
 <p data-bbox="352 804 783 833"><i>Poor quality ground floor access to upper floors</i></p>	 <p data-bbox="815 721 1238 772"><i>Attractive and secure private archway leading to building</i></p>
 <p data-bbox="373 1146 762 1198"><i>Poor quality external staircase entrance to upper floors</i></p>	 <p data-bbox="807 1012 1246 1064"><i>Internal staircase to upper floors allowing single occupation of building if needed</i></p>
 <p data-bbox="347 1444 788 1473"><i>Dated exterior, small secondary glazed windows</i></p>	 <p data-bbox="900 1326 1149 1355"><i>Modern, attractive building</i></p>
	 <p data-bbox="874 1588 1174 1617"><i>High ceilings, lots of natural light</i></p>



Possibility of relocating tenants to 136 Gloucester Avenue

Given the sizes of the four businesses currently occupying St Georges Mews, the number of staff employed and the comparable location of Gloucester Avenue, I would expect that a relocation to 136 Gloucester Avenue would be a very realistic possibility.

Summary and Conclusions

136 Gloucester Avenue

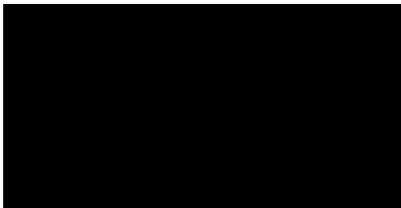
- Modern, attractive building
- Good quality access and security
- Potential for disabled access
- High Specification, latest building standards, lots of natural light
- Flexible space capable of accommodating 150 ft sq ft up to 2,275 sq ft tenants.

10-12a St Georges Mews

- Dated 1950s building
- Poor quality specification
- Poor quality entrance and access to upper floors via external staircase
- Not accessible for the disabled
- Generally low ceiling heights and limited natural light due to deep floor plates
- Inefficient and inflexible floor plates limited to the existing layouts

Having inspected both of these buildings and studied the plans I am in no doubt that 136 Gloucester Avenue has the potential to offer far superior and more flexible office accommodation than 10-12a St Georges Mews.

Whilst I have not discussed the possibility with the tenants of St Georges Mews I can envisage that all of the companies would be very able to use the new space available at 136 Gloucester Avenue as alternative accommodation.



David Matthews

Monday, 17 October 2016