

MARKETING REPORT

Relating to
26-29 St Cross Street
Clerkenwell EC1



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1. INTRODUCTION

- 1.1 Colliers International, a specialist firm of chartered commercial property surveyors based in London, with offices at 27 Old Street, London, EC1V 9HL, have been instructed to advise on the marketing of 26-29 St Cross Street, London, EC1N 8UH ("the Property").
- 1.2 This report now confirms the extent of the marketing exercise, with a summary and conclusions; it has been prepared by Michael Raibin, a Director with Colliers International.

2. OUR INSTRUCTIONS

- 2.1 Colliers International were originally asked to market the Property by the freehold owners in June 2016, with a request to market vigorously and to consider flexible terms. We were made aware of the authorised planning use of the Property, including the predominant B1(a) office use, and the restriction requiring the use of the second and third floors (subject to detailed provisions) for B1(c) light industrial purposes (albeit not limited to the jewellery sector).
- 2.2 In addition to Colliers International, a local agency (Richard Susskind & Company) were also instructed, with Colliers International appointed solely to manage the leasing campaign.
- 2.3 We have thus had the property on the market seeking an occupier or occupiers since June 2016, through to June 2017 (and continuing).

3. THE MARKETING EXERCISE

- 3.1 During the period from June 2016 to date (June 2017, and continuing): -
- 3.1.1 The Property has been advertised on the respective agency websites (www.richardsusskind.com and www.collierslondon.com) throughout;
- 3.1.2 Pdf and hard copy marketing particulars have been distributed to all Central London agencies in order to attract representing clientele and also to respond to inbound general enquiries directly; an example copy is attached as an appendix;
- 3.1.3 The Property has been listed on a major commercial property portal operated by Realla – www.realla.co), which attracts 60,000 users a month across its platform;

- 3.1.4 There is a prominent joint agent marketing board erected on the front elevation of the property; a copy photograph of the board is attached as an appendix;
 - 3.1.5 Both of the agency firms advertise online via Google AdWords and other social media sites such as Twitter and LinkedIn; and
 - 3.1.6 Traditional “word of mouth” has been used, both pro-actively and in response to general enquiries (although those tend locally, around Hatton Garden / Farringdon / Clerkenwell, to be in connection with professional services, tech, media, advertising, fashion and so on).
- 3.2 The prominent joint agent marketing board on the front elevation has been displayed since June 2016.
 - 3.3 During this period, we have had no expressions of interest from any occupier requiring B1(c) premises (or at all from the jewellery sector). This reflects our experience of the last few years; both established operations and potential start-ups are unlikely to find the Property suitable for “workshop” needs.
 - 3.4 Since the marketing started, we have noted a few people downloading the details from our website, although these have turned out to be interested only in B1(a) office use. This reflects the decrease in availability of B1(a) offices in the immediate Hatton Garden area (mainly because of residential pressure), and suggests that there is an ongoing unmet need for such premises.
 - 3.5 We consider that the flexible terms that we have indicated throughout the period has not been an impediment to the marketing; rather there is simply no demand for B1(c) light industrial or workshop premises.

4. SUMMARY AND CONCLUSION

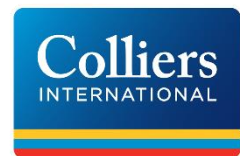
- 4.1 Whilst we would very much have liked to find a tenant or tenants requiring B1(c) premises, in the light of a marketing exercise for over half a year and our experience over the last few years we have come to the conclusion that it would now be reasonable to consider alternative uses.
- 4.2 Whilst the demand for B1(c) light industrial space has been non-existent, the demand for flexible office space has risen over the last few years, reflecting the pressures to redevelop for residential purposes, and the permanent loss of such space. The market for B1(c) accommodation has probably changed on a permanent basis and in any event we must conclude that there is no current demand. Further, we do not see any reasonable prospect of finding a B1(c) occupier in the foreseeable future.

- 4.3 By way of contrast, there is an ongoing demand, and apparent shortage of supply, of good quality B1(a) office space. It would be sensible to seek approval to market the whole building for such use.
- 4.4 We hope that these comments are helpful; any queries should be addressed to the author.

Michael Raibin

Colliers International

June 2017



APPENDIX