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Dear Sir / Madam

RE: JACK STRAWS CASTLE, NORTH END WAY, LONDON, NW3 7ES

INTRODUCTION

Metrus have been asked by our client and freeholder Albany Homes Limited to comment on the future viability of the Ground and Lower Ground floor, in particular their suitability for continued B1/D2 use, taking into consideration the local market and demand.

Jack Straws Castle is located adjacent to Whitestone Pond on the roundabout which leads to Heath Street and Hampstead High Street.

Currently, the premises are arranged as a leisure complex over the ground and lower ground floor levels with three floors of separately accessed residential apartments above. The vacant space was previously let to various gym operators who were not able to make the space commercially sustainable.

FLOOR AREAS

Approximate net internal floor areas are as follows:

• Ground Floor	2,950 sq ft	274.0 sq m
• Basement Floor	2,375 sq ft	220.6 sq m
• Total	5,325 sq ft	494.6 sq m

MARKETING TIMELINE

Please see below a timeline over the course of 12 months during which time Metrus were unable to successfully secure a tenant to occupy the vacant space for either leisure or office use.

January 2018

Metrus prepared in house property particulars once instructed to market the space, which were sent out to all enquiries and possible local occupiers. It was also sent to all the major gym operator chains. The particulars were also emailed to over 500 Central London and Camden based property advisory agents. This led directly to numerous viewings.

February 2018

Listed on the Metrus Website. The property details were publicly listed in the Metrus agency website, whereby a PDF of the particulars can be downloaded by parties viewing the site. 2 viewings were

conducted, the first party who were interested had no financial covenant and were questioned if they could afford the task in hand. The other party discounted for a reason unknown.

March 2018

4 Viewings were carried out to prospective D2 users. All discounted for numerous reasons however all were concerned with lack of foot fall given the location of the building.

April 2018

5 viewings were carried out. 2 of the parties were B1 office users who liked the location of the building but felt that the distance from public transport was too far for their staff. 3 other parties were gym operators (one well established firm with multiple sites) and felt the location was wrong for this type of business.

May 2018

Another agent was bought in by the Freeholder to work alongside Metrus to try and capture even more of the market. A marketing letter was sent to all local occupiers of between 2,000 and 6,000 square feet. Feedback was initially positive, and this led to several viewings but negotiations and consequently interest was short-lived.

June 2018

3 viewing were carried out. One of the parties who had viewed in February reengaged their initial interest, however they consequently discounted Jack Straws as they preferred to focus on a more central location. The 2 other parties discounted due to various reasons.

July and August 2018

Very little marketing activity due to quiet summer period. Metrus were proactive in trying to follow up on all leads from earlier on in the year but all the interest had passed.

September 2018

4 viewings were carried out. Parties were concerned by lack of natural light and configuration of the space. Lack of car parking was another reason parties were no interest.

October 2018

November 2018

2 viewings were carried out. One of the parties were concerned by the 'white elephant' location and the fact that other leisure operators were not able to make the space profitable.

December 2018

All serious interest had fallen away due to impending festive period and saturation of marketing over the previous year. No further viewings conducted in this month.

MARKET REQUIREMENTS

Jack Straws Castle has now been on the market since January 2018, with vacant possession since March 2018. Whilst we have responded to active requirements within the market and we have received enquiries, we are yet to obtain an offer of any substance for the vacant space. Reasons include: -

- Requirement Size – Average gym requirements in this area are for between 5,000 and 10,000 square feet. The floor plates at Jack Straw Castles are circa 2,500 square feet and cannot provide larger occupiers who are seeking a single floor.
- Budget – The overall outgoings at Jack Straws Castle are too high for most requirements and are no longer competitive within this sub market of the London.
- Transportation – Whilst Hampstead and Golders Green underground is nearby, the building is slightly off pitch in terms of the train network. Whilst buses and taxis are frequent, trains remain critical to occupiers when relocating. Parking in the area is also expensive, whilst there are few public car parks with restrictive hours.

In conclusion, taking into consideration all of the above we have undertaken a comprehensive marketing campaign and have subsequently not let the floors. In our opinion there is little demand for offices or a leisure facility at this location for this size and other uses should probably be considered. However, there could be demand from leisure and office occupiers for smaller units of c.1,500 to 2,000 sq. ft. which would work well in the lower ground floor of the premises. Please do not hesitate to contact us with any other queries.

Yours sincerely



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