

PLANNING CONSULTATION REPORT OF
37 GRAY'S INN ROAD
LONDON WC1X 8PQ
FOR RODELL PROPERTIES LTD

Fresson and Tee Limited
6th Floor, Queens House
55-56 Lincoln's Inn Fields
London WC2A 3LJ

March 2019

DS/24330

37 GRAY'S INN ROAD, LONDON WC1X 8PQ

In accordance with Rodell Properties instructions, Fresson and Tee has prepared a report on the marketing of 37 Gray's Inn Road which we refer to as The Building.

This report will be focusing on the marketing of the three upper floors of The Building which herein will be named "The Uppers".

This report will:

- Provide a description of the current accommodation, in terms of quality and future letting ability;
- Provide details and assessments of all previous and current marketing exercises;
- Outline all known interest from previous and current marketing campaigns;
- Provide a summary and evaluation of comparative offices to rent in the local area.

1. LOCATION OVERVIEW

- 1.1 Gray's Inn Road is a major vehicular thoroughfare running in a north – south direction connecting High Holborn to the south with King's Cross to the north.
- 1.2 The Building is located along the western elevation, approximately half way along Gray's Inn Road and within close proximity to the junction with Theobald's Road.
- 1.3 The Building is approximately a 5 minute walk from Chancery Lane Underground Station.
- 1.4 King's Cross and St. Pancras stations, Holborn, Farringdon and Russell Square Underground Stations are all within a comfortable walking distance.
- 1.5 37 Gray's Inn Road is surrounded by a mix of commercial and residential properties. The predominant surrounding uses are small independent shops / traders and residential.
- 1.6 The Building is considered to be isolated from those strategic office locations, popular with larger and modern flexible office users.
- 1.7 These include the major commercial hubs of King's Cross to the north, Holborn / Chancery Lane to the south, and Farringdon to the east.
- 1.8 These destinations are representative of the changing face of the commercial market with tenants' strong desire for flexible, modern and collaborative working spaces.
- 1.9 In addition, each strategic location benefits from a wealth of supporting restaurant and drinking establishments.

2. DESCRIPTION OF THE BUILDING

2.1 The Building is a mid-terrace property with an estimated date of construction to be in the late 19th Century.

2.2 The upper three floors and the basement are accessed via a private internal staircase located in a small entrance hall fronting from Gray's Inn Road.

2.3 The first, second and third floors The Uppers are currently arranged for office use (Use Class B1).

2.4 The remainder of the ground floor is predominantly arranged as a small self-contained retail shop (Class A1) with its own entrance. The retail shop at ground floor cannot be accessed internally by the offices uses at "The Uppers".

2.5 In addition to the retail shop at ground floor there is a single office at the rear of the property over part ground floor and basement levels.

2.6 The basement level comprises of a series of connecting rooms and part compromised by restricted ceiling heights.

2.7 This report will be focusing on The Uppers.

2.8 The Uppers

2.8.1 The Uppers comprise the following Net Internal Areas:

Floor	Size (sq.ft)	Size (sq.m)
Third Floor	462	43
Second Floor	548	50
First Floor	547	50
Total	1,557	143

2.8.2 The floorplates are arranged in an L shaped configuration with access to all floors via a narrow internal staircase. No level access is provided.

2.8.3 The accommodation comprises: carpet covered floors, perimeter trunking, gas central heating, kitchenette x 2, WC x 2.

2.8.4 The first and second floors are split into two sections with a larger office to the front and a small office to the rear.

2.8.5 The third floor comprises a single front office with a kitchenette to the rear.

2.8.6 The condition and specification of the first, second and third floors "The Uppers" is very poor and a comprehensive refurbishment would be necessary throughout in order to bring it up to comparable market demands / levels.

2.8.7 The upper floors in their current condition are not suitable or viable for their existing use as offices.

2.8.8 In our opinion, The Uppers are classified as 'C class' which make up the poorest grade of office accommodation on the market. (Please see Appendix 1 for 'class' definitions and classification)

2.8.9 With significant improvements and repairs a 'C class' building could be upgraded to 'B class'. However, constraints surrounding The Uppers notably the age, location, layout and configuration will make this difficult to achieve and the likely costs would significantly outweigh any additional benefit in rental income.

3. MARKETING BACKGROUND

3.1 Between 2009 and 2010, Rodell Properties Ltd refurbished The Uppers to bring them up to a basic, yet lettable, office standard spending circa £80,000.

3.2 Currell Commercial marketed the offices during this period with an initial quoting rent of £31,000 per annum exclusive of business rates, service charge and VAT.

3.3 Currell Commercial's instructions were terminated in 2011 by Rodell Properties Ltd after being unable to find an occupier.

3.4 Fresson and Tee were subsequently instructed by Rodell Properties Ltd to market The Uppers in June 2011.

3.5 Our instructions were to dispose either as a whole to a single tenant, or floor by floor to multiple tenants. Currell Commercial had similar instructions.

3.6 Fresson and Tee marketed the offices at a reduced quoting rent of £25,000 per annum, exclusive of business rates, service charge and VAT.

3.7 The quoting rent was revised in 2013 to £30,000 to reflect the limited vacant accommodation available in the market and the general increase in market rental values for comparable offices floorspace in the locality (and wider Central London market).

3.8 Successive marketing campaigns by both Fresson and Tee and Currell Commercial were unsuccessful and failed to find a tenant.

3.9 As a result of the un-lettable office accommodation and owing to viability issues surrounding the unsuccessful marketing campaigns, Rodell Properties, The Building's owner, moved their own operations into The Uppers.

3.10 At this time, Rodell Properties had two offices, including The Uppers, that were not generating income.

3.11 As a way of minimising the financial cost to the company, Rodell Properties, out of economic necessity marketed both offices alongside each other adopting the strategy of whichever office let first, Rodell Properties would move into the other.

3.12 The second office that Rodell Properties was marketing alongside The Uppers re-let quickly.

3.13 Rodell Properties moved into the unoccupied office accommodation at first, second and third floors until July 2015 when suitable alternative accommodation was found.

3.14 Their move was in combination with their desire to implement the now expired planning permission 2014/3356/P for the wholesale redevelopment of The Building for residential accommodation. Unfortunately, Rodell Properties were unable to implement the permission.

3.15 Historic Marketing Methods

The table below summarises the historic marketing campaign for The Building, with supporting text and detail below.

Date	Marketing	Comments
December 2009 to September 2011	The Uppers, marketed by Currell Commercial.	No interest, despite offering incentives such as short leases and rent free periods. As a result the rental level was reduced. During the marketing period 15 viewings were conducted and no offers were received.
June 2011 to April 2013	The Uppers, marketed by Fresson and Tee.	There were no offers made after two years of marketing.
March 2012 to July 2015	Rodell Properties occupied The Building.	Rodell Properties occupied The Uppers for commercial and financial reasons namely, to avoid paying business rates on an unoccupied and unlettable building.
July 2015	Rodell Properties vacated in anticipation of implementing planning permission 2014/3356/P.	The upper floors were vacant whilst contractors and final design programmes were being considered in order to develop The Building.
2014 to present	Fresson and Tee marketed The Uppers.	There has been no interest shown and no offers submitted. One viewing was conducted over this period.

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3.16 Currell Commercial Marketing Activities (Appendix 3)

- 3.16.1 In December 2009, Currell Commercial prepared internal marketing particulars with photos and information about the size of the space, quoting rental, lease term etc.
- 3.16.2 The marketing particulars were sent out in response to clients' requirements circulated by London estate agents.
- 3.16.3 Between December 2009 and September 2011, details of the offices were displayed on Currell Commercial's office list and emailed and posted approximately 15 times per week in response to telephone or written enquiries.
- 3.16.4 Marketing particulars were initially sent to registered applicants on Currell Commercial's database looking for offices of between 1,300 sq. ft and 1,700 sq.ft.
- 3.16.5 Marketing particulars were circulated via email to 500 central London commercial estate agents. The initial details were recirculated several times throughout the marketing campaign between December 2009 and September 2011.
- 3.16.6 Details of the available accommodation were displayed on Currell Commercial's website for the duration of the marketing campaign, between December 2009 and September 2011.

3.17 Fresson and Tee's Marketing Activities

- 3.17.1 Various 5ft x 4ft V shaped boards have been hung from the front elevation of The Building for 8 years between June 2011 and the present day (See appendix 2).
- 3.17.2 Property details including lease length, price and size have been on display on Fresson and Tee's website.
- 3.17.3 Property details have been continually advertised on our website since 2011 and circulated online via Estates Gazette Property Link, CoStar and Property Hut.
- 3.17.4 Regular distribution on Estate Agents Clearing House (EACH), a subscription mail out service that distributes property details to commercial estate agents in London.
- 3.17.5 The property was advertised on West End Office Agents Society (WEOAS), an online property database for London commercial estate agents.
- 3.17.6 As a result of these marketing campaigns, neither Currell Commercial nor Fresson and Tee were able to generate any interest.

3.18 Current Marketing Activities

- 3.18.1 Fresson and Tee have used various marketing exercises to generate interest in The Uppers and have been active and reactive when searching for tenants.

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- 3.18.2 Marketing details of The Uppers' accommodation, including rent, size, location and transportation overview are displayed on Fresson and Tee's website, which is accessed approximately 1,500 times per month by unique users.
- 3.18.3 PDF marketing particulars with photos and information about the size of the space, quoting rental, lease term. This is the primary method of marketing and is sent out upon request.
- 3.18.4 To date, PDF marketing details have been sent to 24 commercial estate agents that have live search requirements matching that of The Uppers office accommodation.
- 3.18.5 The Uppers have been advertised on Zoopla, Realla and WEOAS since September 2018.
- 3.18.6 A new V shaped 5ft x 4ft board has been hung from the front elevation of The Building since September 2018.
- 3.18.7 Email shots have been sent to agents that are members of the REALLA and WEOAS platforms. These platforms are the most efficient and effective ways of generating interest in the office premises.
- 3.18.8 Over the last 6 months, Fresson and Tee has been marketing The Uppers at a quoting rental value of £35 per sq.ft (exclusive of rent rates and service charge). This is, in our opinion and supported by our research into office rents nearby, a fair market rent for its size and condition.
- 3.18.9 Since September 2018, it is confirmed that Fresson and Tee has undertaken a comprehensive marketing campaign utilising all of our resources and have been unsuccessful with finding a tenant for The Uppers.
- 3.18.10 Over the 6 months period that we have been marketing The Uppers, only one prospective tenant has viewed the office accommodation.
- 3.18.11 The prospective tenant rejected The Uppers citing its cramped layout, limited specification for modern day office use and overall poor condition.
- 3.18.12 By comparison, as a result of updating the marketing board on the outside of The Building Fresson and Tee has received a strong response from interested parties for the ground floor retail unit. (Please see Appendix 4)
- 3.18.13 In contrast, no interest was generated for The Uppers as a result of updating the marketing board.
- 3.18.14 In summary, Fresson and Tee has sought to let the office accommodation at The Uppers from June 2011 to the present day.
- 3.18.15 Appropriate marketing methods associated with letting office accommodation have been used, including the use of well-known platforms such as WEOAS, Realla and Zoopla from September 2018 to the current day.
- 3.18.16 Marketing has only led to one potential tenant viewing the office accommodation.

- 3.18.17 The prospective tenant cited that the works needed to bring The Uppers up to an occupiable standard were far too extensive and that remedial works would not be proficient.
- 3.18.18 This is deemed reflective of the views towards the office accommodation. The offices do not meet modern office standards and are unviable in their current form.

4. WHY THE UPPERS REMAIN UNOCCUPIED

- 4.1 The lack of interest and failure to let the first, second and third floor office accommodation cannot be associated to a single factor, but a number of contributing factors which include:
 - 4.1.1 The fundamentals of the historic office layout impose restrictions and are not functional for modern day standards or flexible workings.
 - 4.1.2 The 'L shaped' configuration over three separate floors offers a fragmented working environment for a single occupier and multiple occupiers alike.
 - 4.1.3 The majority of WEOAS London agents' requirements for 1,000 sq.ft. + require an office on a single floor.
 - 4.1.4 The building is not DDA compliant, which instantaneously limits the demand from budget conscious occupiers like charities.
 - 4.1.5 The floors are uneven and the narrow and uneven staircase is hazardous and poses a risk.
 - 4.1.6 The internal staircase and the restrictive landings limits accessibility to the floors. At present, they do not provide suitable accessibility and resultantly are unfit for busy commercial uses.
 - 4.1.7 In its current condition and specification, The Uppers are a non-viable option for occupiers that are looking for comparable office accommodation.
 - 4.1.8 The building work required to bring the offices up to a habitable and viable standard is deemed too costly for occupiers looking at office accommodation in this lower price bracket.
 - 4.1.9 Furthermore, there are no guarantees that a full landlord refurbishment would increase the chances of finding an occupier or provide viable returns on rental incomes, given its location. It is noted that the landlord's previous refurbishment (approx. £80,000) had no effect.
 - 4.1.10 These works included stripping out and re-plastering, new boiler and radiators, new cabling for telephone and internet communications, emergency lighting, new fire alarm system, repairs to the flooring, painting and redecorating as well as refurbishing the lavatories and kitchenettes.
 - 4.1.11 The specification of the amenities that were updated in this refurbishment are now mostly outdated and need upgrading and updating. (Please see Appendix 5)

4.1.12 The existing configuration provides a poor internal layout and cramped accommodation, which is un-suitable.

4.2 In line with market research, larger open-plan office accommodation is sought after and reflective of the needs of modern business users within the area.

4.3 Such demand is strong and evident within strategic office locations such as King's Cross, Farringdon and Chancery Lane, as being promoted by the Council for larger office developments.

4.4 This inevitably attracts larger, more flexible office providers (such as WeWork and Workspace) who can offer tenants flexibility with contracts lengths, competitive pricing and a host of ancillary amenities and synergy with other likeminded tenants.

5. COMPARATIVE OFFICES AND COMPETITION

5.1 Fresson and Tee has undertaken a market search of offices available on Gray's Inn Road.

5.2 There are few offices available on Gray's Inn Road that can be considered directly comparable in terms of layout and specification to that of the first, second and third floor office accommodation The Uppers.

5.3 Market research conducted by Fresson and Tee has identified office accommodation currently available to rent which and of a similar specification and size to The Uppers at rent of £45 per sq.ft.

5.4 These offices have been unoccupied despite being marketed by their respective agents. Akin to the premises at 37 Grays Inn Road, the commercial agents have confirmed that these premises have been problematic to let.

5.5 The reasons for lack of interest from potential occupiers is due to the low specification of the units available and more decisively the competition that is available in the immediate area from superior units.

5.6 Below are some traditional offices available on Gray's Inn Road that have remained unoccupied despite being marketed by their respective agents.

5.7 Traditional Offices

5.7.1 283 Gray's Inn Road

5.7.1.1 283 Gray's Inn Road has been on the market for the last 2 years.

5.7.1.2 The office is the most comparable to 37 Gray's Inn Road in terms of layout and specification.

5.7.1.3 The office accommodation spans basement to third floor with retail use to ground and basement and office use in the upper parts.

- 5.7.1.4 The accommodation is in a similar condition to that of The Uppers and requires refurbishment. In its current condition, the agents have not been able to find an occupier.
- 5.7.1.5 Fresson and Tee have been advised that the offices at 283 Gray's Inn Road will be refurbished in return for a rent of £56.50 per sq.ft.
- 5.7.1.6 Despite the landlord's intention to refurbish the building it remains unoccupied. The agents have been marketing the office for the last two years and have been unable to find a tenant.

5.7.2 Brownlow Mews

- 5.7.2.1 Brownlow Mews has been on the market for the last two years and remains unoccupied.
- 5.7.2.2 The unit is 1,038 sq.ft. Its accommodation is open plan and of a better specification to that of the Uppers but requires minor refurbishment works.
- 5.7.2.3 Brownlow Mews is currently on the market at a quoting rent of £45 per sq.ft. The agents have been unable to find a tenant despite reducing the rent.
- 5.7.2.4 This property is located directly behind The Building.

5.7.3 12 St John Street

- 5.7.3.1 This property is has been on the market since October 2018.
- 5.7.3.2 The office comprises office space over basement, ground and four upper floors and is situated in a more desirable location.
- 5.7.3.3 The accommodation appears to be in a far better condition and is far more desirable than The Uppers.
- 5.7.3.4 The agents are quoting a rent of £42.50 per sq.ft. and have not generated any interest in the office.

5.7.4 Serviced office providers and co-working providers

- 5.7.4.1 Co-working and serviced office providers are the main source of competition for units comparable to the office accommodation at first, second and third floor The Uppers.
- 5.7.4.2 Smaller occupiers looking for accommodation to staff 5-12 employees, which would have previously occupied traditional offices like the above, are drawn to co-working and serviced office units as they offer flexibility that is not possible from traditional office.
- 5.7.4.3 Co-working and serviced offices give occupiers more flexibility as additional space or surplus space can be acquired or disposed of on a month to month basis. This is not possible with a traditional lease. This is very desirable for smaller businesses and start-ups.

5.7.4.4 Furthermore, the inclusion of business rates and service charge within a monthly price makes co working space attractive for occupiers and allows them to operate at a similar price point to that of competing traditional offices.

5.7.4.5 There is a large concentration of serviced and co-working offices available on Gray's Inn Road, providing superior accommodation, facilities and amenities for modern day office use.

5.7.5 Serviced Offices

5.7.5.1 **Workspace – 60 Gray's Inn Road**

There are numerous units available in a range of sizes to accommodate small businesses. The Workspace group occupy circa 14,500 sq.ft in this building.

5.7.5.2 **Regus - 344-354 Gray's Inn Road**

There are numerous units available in a range of sizes to accommodate small businesses. The Regus occupy circa 22,830 sq.ft in this building.

5.7.6 Co-working Offices

5.7.6.1 **WeWork - 14-22 Grays Inn Rd - Fox Court**

There are options to let private offices and individual desks. WeWork occupy 142,000 sq.ft of this building.

5.7.6.2 **The Boutique Workplace Company, 175 – 185 Gray's Inn Road**

There is no longer any space available in this unit for occupiers requiring between 250 sq.ft. – 1,500 sq.ft.

5.7.6.3 Due to demand, we have been advised that the Boutique Workplace Company are expanding their operations and are acquiring additional premises in King's Cross. The Boutique Workplace Company occupy 9,752 sq.ft in the building.

Conclusion

The Building has been actively marketed continuously for the last 10 years other than for brief sporadic periods whilst the owners, Rodell Properties, occupied first, second and third floors "The Uppers" and whilst Rodell Properties tried to implement the previous planning permission.

Even during this brief hiatus, whilst planning permission was being considered, a marketing board remained at first, second and third floors "The Uppers" and active marketing continued with no interest.

Fresson and Tee are of the opinion that the market conditions have changed significantly over the past 10 years.

Offices of this size, layout and specification on Gray's Inn Road are dated and do not reach current occupiers expectation and modern requirements - as such the building remains vacant remain vacant. The evidence gathered in this report is testimony to this.

During this 10 year period the building has generated no significant interest and no offers have been received, despite prolonged periods of active marketing by different agents.

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The first, second and third floors “The Uppers” in their current state would not attract attention, and the level of investment required would not achieve a viable return on market values to warrant undertaking the work given existing comparable office accommodation in better suited buildings and in more suitable locations.

A handwritten signature in black ink, consisting of three vertical lines followed by the name 'Hopson' written in a cursive style.

Harry Hopson
On behalf of Fresson and Tee

Appendix 1

ACCOMMODATION CLASSES

Class A

The highest-quality office spaces on the market are considered Class A. Generally speaking, these spaces are newly constructed and have been outfitted with top-of-the-line fixtures, amenities, and HVAC and technological systems. Class A buildings are aesthetically pleasing and have a notable presence in high-visibility locations, such as a city's central business district. These spaces are normally maintained by reputable property management companies that keep them looking impeccable.

Height is another common characteristic of Class A buildings. Many high-rises fall into this category; spaces inside these structures tend to have higher ceilings as well. A large central lobby is also typical of buildings in this category.

Offices in these buildings are often popular among high-profile, white-collar companies, such as financial institutions and law firms.

Class B

Class B properties are considered decent, as far as office spaces go. These buildings usually do not have the same high-quality fixtures, architectural details, and impressive lobbies as Class A spaces, but they are generally nice structures with fully functional facilities.

Their locations, building systems, and property managers are described as average to above average. Therefore, Class B office space tends to command "average" market rent. The majority of Class B buildings are fewer than four stories high and are often found in the suburbs or on the edge of large financial districts.

Another factor that separates Class A and B buildings is age. Class B buildings are typically older than Class A buildings and may be experiencing some deterioration. Some buildings start out with a Class A rating but are downgraded after 10 years, or once signs of wear-and-tear become apparent.

Class C

Class C commercial office spaces are the poorest-quality structures on the market. They tend to be located in the least desirable areas of cities and are usually in need of major repairs or complete renovation. The need for significant repairs or upgrades is typically the result of the building's age, as Class C properties are generally more than 20 years old.

Some Class C properties remain occupied, commanding lower rental rates and attracting tenants with smaller operations that cannot afford nicer spaces or that do not need their businesses to be located in centralised hubs. Other Class C buildings are sold as rehabilitation opportunities.

With some improvements and repairs, a Class C building can be upgraded to Class B, though it is unlikely to ever achieve Class A status due to its location and age.

Of course, pricing office space is not an exact science; a variety of factors go into it, from the state of the local real estate market to the amenities offered by the building. For that reason, official as they sound, these classifications are somewhat subjective—something to bear in mind in lease negotiations.

Sourced online.

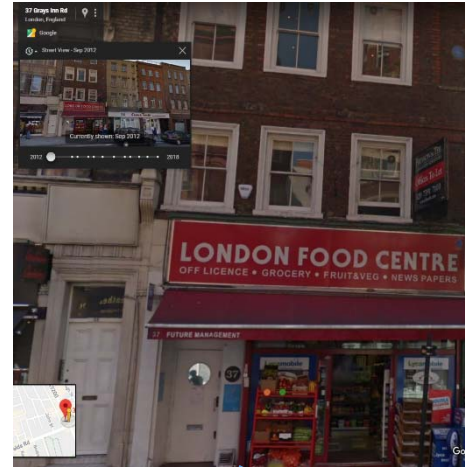
Appendix 2

TIME LINE OF MARKETING BOARD

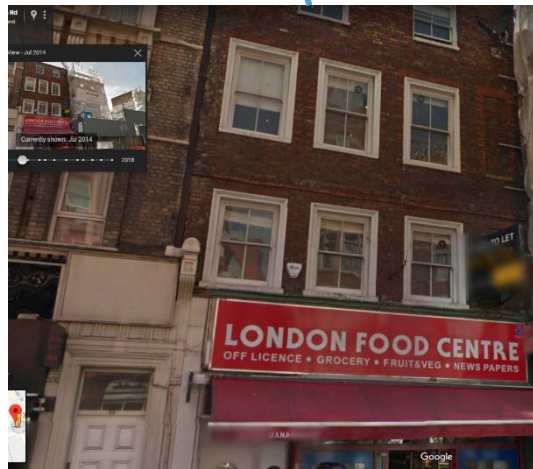
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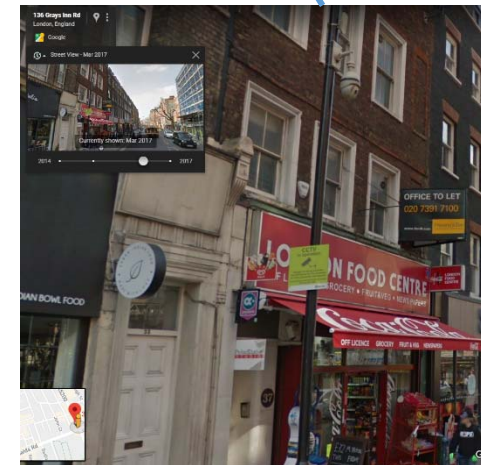
September 2012



August 2015



July 2014



March 2017

Appendix 3

CURRELL COMMERCIAL PREVIOUS MARKETING CAMPAIGN

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LETTER FROM CURRELL COMMERCIAL

Our ref: BAH/O1207
Date: 23rd March 2013

Mr Simon Howard
Unlock Democracy
37 Grays Inn Road
London
WC1X 8PQ

Dear Simon

37 Grays Inn Road, London WC1X 8PQ

Further to our telephone conversation I set out below the historic marketing we undertook for the above office space.

We marketed the first, second and third floor office space within this building from 9th December 2009 until September 2011 when we were requested to cease marketing as we had been unsuccessful in finding occupiers for the space. We understand that Fresson & Tee were then instructed to find an occupier.

It is a mid terraced period building on Gray's Inn Road and close to its junction with Theobalds Road. The space comprised one room per floor which had been refurbished ready for B1 office occupiers.

The space comprised the following net internal areas:

First floor	581 sq ft	(54 sq m)
Second Floor	581 sq ft	(54 sq m)
Third Floor	388 sq ft	(36 sq m)
Total net internal area	1,550 sq ft	(144 sq m)

We were marketing the B1 space at a rental in the region of £31,000 per annum exclusive of business rates, service charge and VAT. The rental was a quoting rental and we were asking for offers in the region of this quoting price to give more flexibility for potential occupiers. The rental quoted was in line with current market rentals in the local area.

We were offering flexible lease terms and informing applicants that we would consider short term and long term lettings.

MARKETING CAMPAIGN

I outline below the marketing we undertook for the available B1 office space from the commencement of our marketing on 9th December 2009 up to September 2011.

1. Preparation of in-house marketing particulars with a photo of the available space and information about the size of the space, facilities that the space has to offer, quoting rental, lease terms etc. The marketing particulars were sent out in response to a number of clients' requirements circulated by local agents as well as some Central London agents during the period of our instruction.
2. Details of the office space were posted onto our Office & Industrial List on 9th December 2009. Our Office List is updated daily with amendments that clients want to make to their marketing details such as lowering rentals, offering another floor, shorter lease terms etc. The lists are also amended as and when we take on a new property and new lists are printed out immediately so that no exposure is lost for any of the properties we are instructed to market. The List sets out all the B1 office premises that we currently have available to let and for sale and is an effective marketing tool – especially when a potential occupiers is pretty flexible on their criteria to find an office space as it gives them a rounded picture of what is available in a variety of locations in North, East and Central London.

We email or post approximately 15 lists weekly in response to telephone and written enquiries from individuals and companies looking for office and studio premises.

3. Marketing particulars were initially sent to registered applicants on our database looking for office space of between 1,300 sq ft and 1,700 sq ft and a further four circulations in March 2010, September 2010, January 2011 and May 2011.
4. Marketing particulars were circulated via email to the top 500 Central London Commercial Agents and also to local agents when we initially took on the instruction and recirculated several times during the marketing campaign. We had five viewings from the mailoutsy, but unfortunately the space was too disjointed for the parties that inspected who wanted a similar sized space but not over several floors.

5. Details of the available office space were displayed on our website for the duration of our marketing campaign with general information about all the available floorspace and including the flexibility of the rental and lease terms that could be offered.

We believed that a potential occupier for the available office space would be a company or organisation already located in the area or within a 1 mile radius as they would be familiar with the location and the period style of a lot of the buildings in this location.

3. RESULTS OF MARKETING CAMPAIGN

We marketed the available office space quoting a rental of approximately £20 per sq ft for the whole space exclusive of business rates, service charge and VAT, if applicable, which we consider to be a very fair market quoting rental for this type of space on three floors at that time. Our instructions from our client was to be as flexible as possible and therefore we were informing potential occupiers that any reasonable rental offer would be seriously considered.

Although we undertook a thorough marketing campaign which has included advertising on our own website and other agency portals and, as previously stated, were prepared to offer flexibility on the quoted rental for the B1 space, we had no solid interest in the property. Even offering further incentives such as short term leases and rent free periods, even though the space that being offered is in very good condition and decorative order, was not been sufficient to persuade potential occupiers towards taking a lease on the available space.

During the period of our marketing we sent details to a wide variety of different office operators which have included solicitors, accountants, designers, architects, recruitment, PR companies, charities and IT companies.

Despite strong marketing we were unable to secure an occupier for the office space. The market at the time was very difficult and there was a large amount of commercial space available as the nature of the space did not match peoples aspirations due to location, type of space, layout, lack of DDA compliance, lack of profile etc. Companies were getting more conscious of in terms of how energy efficient a building was and whether it was accessible to disabled people – obviously these criteria cannot always be met.

During our marketing we sent out hundreds of sets of our marketing particulars and had approximately 28 legitimate enquiries for the available B1 space which has only resulted in approximately 15 viewings. Details of some of the inspections we undertook in June/July 2010 are attached.

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As we have previously stated from the viewings we undertook, the main issue was the layout of the space as it is on three floors and it was not DDA compliant which deterred some charities and other companies and organisations that require disability access.

To summarise, we believe that we undertook a full and wide ranging marketing campaign during the course of our agency period.

We hope the above report adequately summarises the marketing we undertook on the building and if you require further information then please do not hesitate to contact me.

Yours sincerely

Beverley Hedge
Commercial Agency Manager

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CURRELL COMMERCIAL - MARKETING UPDATE REPORT		22nd July 2010	
PROPERTY ADDRESS		37 Grays Inn Road, WC1X 8PP	
ENQUIRIES/MAILOUTS	INTEREST	VIEWINGS	WEBSITE ACTIVITY/MARKETING
July 2010 - Details sent to Mr Bloomfield, publishers	Liked the location but was concerned about the amount of floors and would have preferred to have ground and basement space.	Viewed on 1st July 2010	
July 2010 - details sent to Mrs Prada	Designer looking to buy or rent showroom or office space. Location slightly too far from Frolborn.	Viewed on 5th July 2010	
July 2010 - details sent to Ms Anita Draper	Charity looking to rent offices in WC1. They liked the space but needed to be disabled friendly to at least the first floor which is impossible in this type of building.	Viewed on 9th July 2010	
June 2010 - details sent to Graber Lewis	Fairly new firm of architects thinking of moving out of West End. Liked the price but they want more trendy space, warehouse style	Viewed on 14th July 2010	

Appendix 4

IN NUMBERS: GRAY'S INN ROAD OFFICE VS RETAIL

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Total page views	202 (1.26 on average per day)	Total page views	43 (0.27 on average per day)	
Email generated page views	0	Email generated page views	9	
Realla generated page views	35	Realla generated page views	9	
Other page views	Total	167	Total	25
	www.fandt.com	11	www.fandt.com	5
	Facebook	5	Google	1
	Google	3	Microsite previews	7
	Microsite previews	13	Unknown	12
	Unknown	135		
Phone number views	3	Phone number views	0	
Contact form views	3	Contact form views	0	
Search impressions	900	Search impressions	291	
Retail Unit		Office Unit		

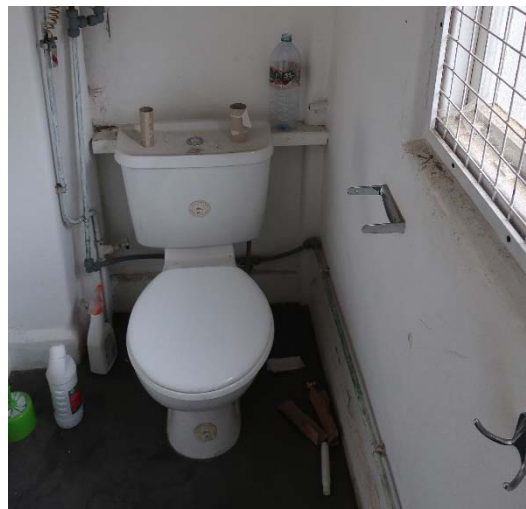
Appendix 5

IN NUMBERS: INTERNAL PHOTOS

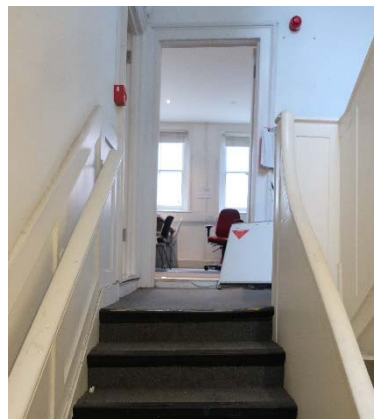
FRESSON AND TEE



WC off stairwell at half level



WC



Half level landing

FRESSON AND TEE



First Floor office (front)

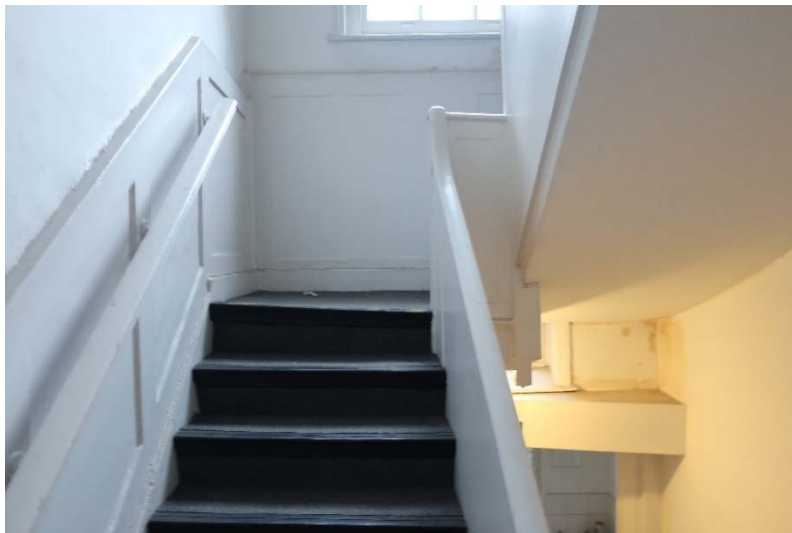


First Floor office rear

FRESSON AND TEE



First Floor kitchenette



First Floor landing

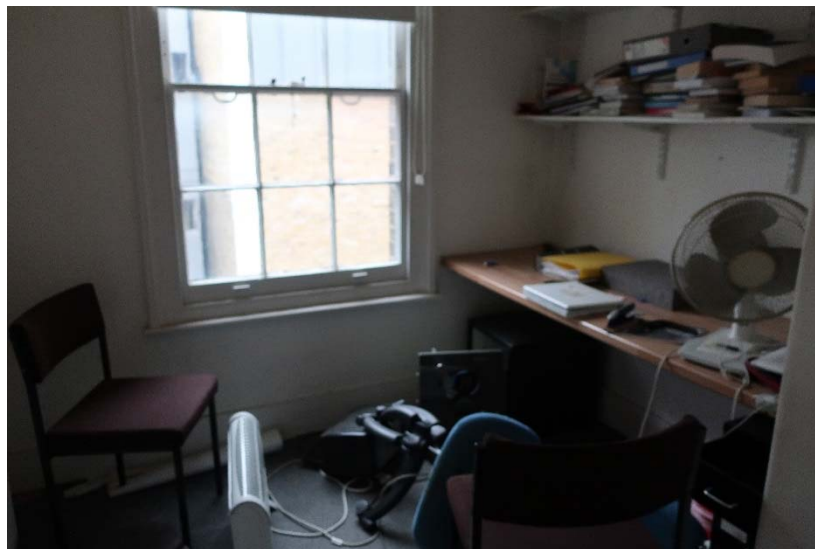


Leak from the Third Floor on the Second Floor stairwell

FRESSON AND TEE



Second Floor office (front)

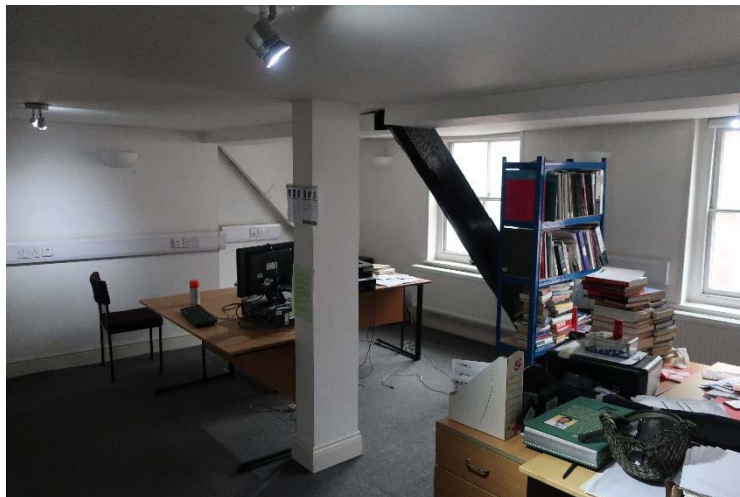


Room to the rear of the Second Floor office

FRESSON AND TEE

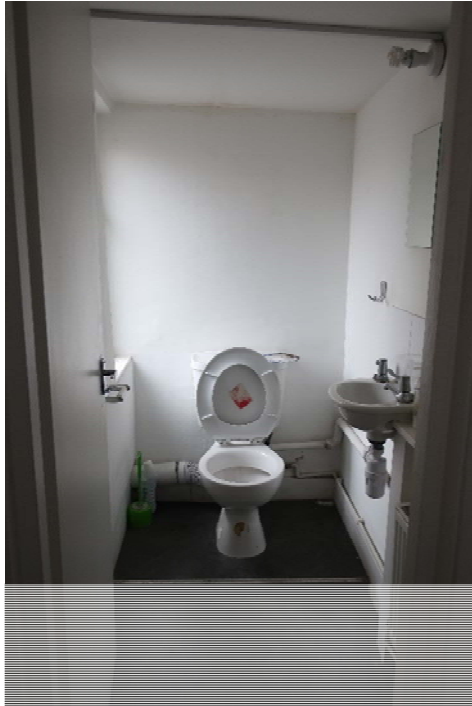


Leak to rear Second Floor wall



Third Floor office

FRESSON AND TEE



Third floor WC