

Andrew Bacon
Hallmark Property Group
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Our Ref
Your Ref

AK/tc

21st July 2020

Dear Andrew

RE: 65-69 Holmes Road, Kentish Town, London, NW5 3AU

Background

Altus Group specialise in the industrial / warehouse sector with a particular focus on West and North West London. In June 2018, Altus were appointed letting agents on the commercial space at Holmes Road.

The Property

The space provides up to approximately 21,000 sq ft of warehouse space over lower ground and two basement floors. All of the floors are accessed via stairs and a communal goods lift which, in turn, is accessed from a shared forecourt off Cathcart Street. The upper basement floor has not been constructed due to letting concerns over the clear height although there remains a structural grid at the height of the proposed middle basement floor. As designed, the three floors provide between 2.4 – 3.8 metres clear height, except for c. 1,800 sq ft of the lower ground that benefits from c. 6 metres. This part of the accommodation also benefits from natural light via sky lights although the rest of the space is reliant on artificial light.

There is a self-contained showroom totalling 2,045 sq ft at ground floor level accessed off Holmes Road.

Marketing

We have marketed the opportunity as a whole or as individual floors from c. 8,400 sq ft.

We are quoting £475,000 per annum (c.£16.50 per sq ft) for the commercial space and £85,000 per annum (£41.50 per sq ft) for the showroom space.

These quoting rents are in line with those rents achieved in nearby North and North West London industrial locations. Holmes Road is more central than the majority of the transactions although the height and access is more restricted. A summary of recent transactions is below:

Regulated by RICS



Unit	Tenant	Date	Lease Length	Area sq. ft.	Headline Rent (£/sf)	Incentives	Comments
16 Vision, Acton	Versa Studios	Feb 20	25/10&20 Break	29,103	£20.61	12 months	Self-contained refurbished unit
Crossflow, Park Royal, NW10	Joe's Gourmet Popcorn	Dec-19	10	27,111	£15.25	12 months	Self-contained refurbished unit
5 Oakwood Business Park, Park Royal, NW10	Gleam	July 19	10 / 5 break	10,501	£19.95	8 months	Refurbished end of terrace unit.
11 Townsend Estate, Park Royal, NW10	Premium Tours	Jan 20	10 / 5 break	8,760	£17.50	6 months 2 months if don't break	Extensively refurbished end of terrace
733 Tudor Estate, Park Royal, NW10	GT Meira	Jun-19	10 / 5 break	6,482	£21.90	nil	Modern refurbished semi-detached unit.
1 Oakwood Business Park, Acton, NW10 6EX	Hedley's Group	May-19	10	9,085	£18.50	10 months	Refurbished end of terrace unit.
Central Reach, NW10 7BQ	V&H Limited	Jan-19	10	29,826	£15.25	9 months	Detached new build.
4 Bush Industrial Estate, N19 5UW	Ocado	Oct-18	TBC	43,000	£25.58	TBC	Low site cover. 4 units combined.

The marketing has been focused on the warehouse sector (brochure attached). Altus are members of the Industrial Agents Society and those agents have been emailed or alerted to the opportunity via the Estate Agents Clearing House.

In addition, we have emailed and mailed our occupier database within North West and North London postcodes.

The property is marketed on EG Property Link; Zoopla; and Novaloca websites. We have not advertised within the Estates Gazette or Property Week as it is costly and the wrong target audience.

Occupier feedback

The property is very well located and within walking distance of Kentish Town underground station. However, the feedback from B8 occupiers and their retained agents over the 24 months of marketing has generally been negative for the following key reasons:

- Location - adjacent to a school and residential;
- Vehicle access – tight residential roads;
- Limited yard space – no space to park and manoeuvre commercial vehicles;
- Car parking – very limited and no demised spaces, particularly if the space is multi-let;
- Goods access – shared goods lift;
- Heights – limited storage capability and forklift limitations;
- M&E – costs to artificially light and ventilate.

A schedule of key B8 enquiries is below:

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Nov 19	UK Parliament	20-40,000	London	Require space for archives. Wide search area. Not in rush for space. Details sent over.
Sept 19	C/o Knight Frank	6-10,000	North London	Confidential client. High-end sports retailer. Require retail, office and industrial. Needs to be close to public transport. Details sent.
Mar 19	Unknown c/o Devono Cressa	30,000	Central London	Confidential occupier requirement. Discounted as shared yard and lift access.
Feb 19	Creative Drive	10 – 25,000	London	Photographic studio company looking to merge their 3 London offices into 1. Viewed 14/02. Discounted due to height.
Jan 19	Yi Fang	10 - 15,000	London	Taiwan Fruit Tea company looking for central kitchen. Identified an industrial unit. Concerns over ventilation for cooking process.

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Jan 19	DPD	10,000	Central London	Logistics hub for small electric vehicles to deliver into central London. Did not inspect. The lack of height and lift access meant they could not be considered.
Jan 19	C/o Bond Woodhouse	20-30,000	London	Requirement for a photographic studio. Focusing on more central locations.
Aug 18	Panalux	15-20,000	London	Lighting equipment storage. Viewed in July & August. Discounted due to lack of height; light; and lift access.
July 18	Proposition Studios	30,000	N/NW London	Artist and sculpture studio provider. Viewed several times in July & August. Discounted due to lack of height and natural light.

We have received more favourable feedback from alternative use sectors such as office; gym; and industrial who are more able to make the restricted height work; staff and customers can arrive by public transport & foot; have fewer commercial vehicle movements and need for yard space. Those interested parties are as follows:

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
March 20	Quantum Motion	5 – 10,000	Central London	Viewed 5/06. Development of quantum computing, B1 use. Interested in upper upper floor only.
Sep 19	JD Gyms	10-20,000	West to Central London	Viewed 30/09 & 18/10. They're interested in whole space. Requirement for leisure space, D2 use.
July 19	Sherbet Taxis	10,000	Central London	Electric taxi company. Maintain, charge, storage. Considering if they can make it work.
June 19	Whippet Productions	20,000	Central London	TV production use and immersive entertainment venue.
May 19	Ten87 Studios	20-30,000	N/NW London	Music & Film Studio space. Discounted due to lack of height.
April 19	CentreStage	10 – 15,000	Central London	Events company looking to use for film studios. Viewed 09/04. Discounted due to height.
Mar 19	Bounce (gym & injury clinic)	8 - 12,000	Central London	Gym and injury clinic. Viewed twice. Open 3 rd facility and now looking for 4th. Interested in upper basement.

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Jan 19	HITIO gym	5,000 – 12,000	London	Martial Arts gym from Norway looking to expand into the UK. Viewed serval times. Waiting to hear back on proposed franchisee.
July 18	The Gym Group	20-30,000	National search	Viewed 29/06. Discounted as not enough height.

To conclude, the opportunity has been extensively marketed for 24 months with B8 interest either discounting on receipt of details or on inspection due to reasons set out above. The central location will more likely attract non B8 users who are less affected by the height; lift access; and lack of yard.

Yours sincerely



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Enc: Altus Marketing Details