

Andrew Bacon
Hallmark Property Group
46 Great Marlborough Street
London
W1F 7JW

Our Ref

AK/SH

Your Ref

2nd March 2021

Dear Andrew

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

I write with reference to the planning application (2020/3698/P) and London Borough of Camden's feedback regarding the occupational market report we provided in July 2020. This letter seeks to respond to those queries raised whilst providing more detail on the occupier feedback.

Letting agent's track record

Altus Group specialise in the industrial / warehouse sector with a particular focus on West and North West London. I have been working within this sector since 2002 and did 6 years as a Principal at Brixton plc before forming Aspect Property Consultants in 2010. Aspect was a niche industrial consultancy business that Altus Group acquired in February 2018. I have a strong track record of leasehold transactions in neighbouring London Boroughs of Ealing and Brent where there is significantly more industrial stock. I act for Landlords such as SEGRO; Aberdeen Standard; Blackrock; and Aviva as well as occupiers such as Royal Mail; Granger Hertzog; Apetito; and DSI Foods.

Letting transactions in Ealing and Brent that I have been involved in within the last quarter include 61,000 sq ft for Aviva; 19,000 sq ft for Marchmont; and 9,000 sq ft for Blackrock. I am also in the process of relocating a floor coverings business based in Islington.

Marketing

In June 2018, Altus were appointed letting agents on the commercial space at Holmes Road.

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.

The brochure targets the 'warehouse / industrial' and 'Showroom / office' sectors. Altus are members of the Industrial Agents Society (IAS) and those agents have been emailed or alerted to the

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opportunity directly and via the Estate Agents Clearing House. Email with in-house preliminary details sent to the IAS membership in July 2018 is attached and the enquiry schedule below shows we had immediate interest from Proposition Studios and Panalux.

The property has been marketed on EG Property Link; Zoopla; Novaloca; and the Estate Agents Clearing House websites. We believe these are the best websites for our sector audience. We have not advertised within the Estates Gazette or Property Week as it is costly and the wrong target audience. We also have not advertised on 'workspace' portals such as GLA's Open Workspace – we do not do this on any of our properties. We find agents and applicants will look at the key websites which have the most coverage as below.

EG Property link

Faster disposals – dedicated commercial property search used by over 2.7m occupiers, investors, developers, and agents; listing your property for sale or to rent with Propertylink provides you with direct access to the occupiers and investors market.

Zoopla

Search 37,801 restaurants, warehouses, serviced offices to let and more, in locations across the UK from thousands of local commercial lettings agents.

Novaloca

The listing service with thousands of commercial properties for sale or to let across the UK. Whether you intend to buy or rent commercial property, search our extensive database to find land, office space, industrial units, retail or leisure premises.

A letting board has been visible from Holmes Road since November 2019. The phone number is Hallmark's head office with any calls relating to the commercial space to be directed to Altus. It is worth noting we have only had one enquiry from the board (Blend Studios who are based nearby), which is fairly typical for this type of location. In our experience we get far fewer enquiries from boards today than we did 5 or more years ago as occupiers and agents depend on online marketing tools.

A schedule of recent transactions is below:

Unit	Tenant	Date	Lease Length	Area sq. ft.	Headline Rent (£/sf)	Incentives	Comments
1 Townsend Estate, Park Royal	Garden Campus Limited	Feb 21	15 / 10 break	6,942	£18.00	9 months	Refurbished end of terrace unit

2&3 Townsend Estate, Park Royal	OTC Direct Limited	Feb 21	10 / 5 break	12,629	£17.50	5.5 months	2 combined refurbished units
6 Central Park	Procam Take 2 Limited	Feb 21	Assigned 3.5 years unexpired	17,975	£17.50	Nil	Modern detached unit
Sovereign House, Park Royal,	SRCL Limited	Jan 21	20/10 & 15 breaks	18,352	£18.25	11 months	Refurbished semi- detached unit
Rock & Roll, Park Royal	Garden Campus Limited	Dec 20	15 / 10 break	61,569	£17.50	12 months	Modern detached units

The quoting rents are in line with these achievable terms along with the comparable and available properties listed on Costar (attached).

Occupier feedback

We have updated the enquiry schedule included in July's letter with new enquiries and provided more specific feedback in bold.

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Jan 21	Wolseley UK	5 – 10,000	Central London	Require trade counter unit in Kentish Town. Viewed 13/01. Basement space does not have enough presence and shared loading will not be sufficient.
Sep 20	Food Stars	3 – 15,000	London	Licensed commercial Kitchens. Viewed upper basement 13/09/2020 although service yard too small for deliveries which would lead to spilling out onto Cathcart Street.
July 20	Safestore Self Storage	20,000	Central London	Self-storage company. Viewed 04/08/2020. Interested in whole space. Discounted as not enough usable space with restricted height and single lift.
Nov 19	UK Parliament	20-40,000	London	Require space for archives. Wide search area. Not in rush for space. Details sent over but didn't respond to chasing calls.

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
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. Decided not to view due to dependency on lift and limited yard / parking.
Mar 19	c/o Devono Cressa	30,000	Central London	Confidential B8 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 restricted 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.
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, single lift access and residential area meant they could not consider.
Jan 19	C/o Bond Woodhouse	20-30,000	London	Requirement for a photographic studio. Focusing on more central locations with better height.
Aug 18	Panalux	15-20,000	London	Lighting equipment storage. Viewed in July & August. Discounted due to lack of height; natural 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:

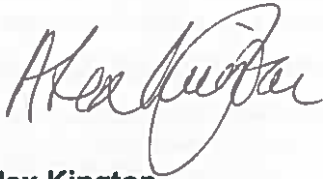
DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Dec 20	Confidential Theatre	5 – 15,000	Central London	Looking for interactive theatre space. Viewed Jan 21. Interested in Lower basement.

DATE	AGENT/ OCCUPIER	SIZE (Sq ft)	LOCATION	COMMENTS
Aug 20	The Font	10,000	Central London	Indoor rock climbing wall. Viewed Aug 20. Interested in upper basement.
July 20	Climb London	5 – 10,000	London	New London based climbing wall company. Viewed July 20. Discounted due to height restrictions and not enough clear height space.
March 20	Quantum Motion	5 – 10,000	Central London	Viewed 5/06. Development of quantum computing, B1 use. Interested in upper upper floor only. Out of budget.
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. Looking for better prominence.
July 19	Sherbet Taxis	10,000	Central London	Electric taxi company. Maintain, charge, storage. Discounted due to lift access.
June 19	Whippet Productions	20,000	Central London	TV production use and immersive entertainment venue. Did not proceed with acquisition.
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. Out of budget.
Jan 19	HITIO gym	5,000 – 12,000	London	Martial Arts gym from Norway looking to expand into the UK. Viewed several times but did not proceed.

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. Whilst there is demand from B8 occupiers there are too many compromises at the subject premises, including neighbouring uses (residential & school); narrow roads; limited (most likely shared) loading; no parking; limited headroom; multiple columns; and all the basement space having to be accessed via one goods lift.

The property features and location are more suited to non-B8 occupiers who can work with the compromises listed above.

Yours sincerely



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Enc: Costar Warehouse Availability
Costar Warehouse Comparables
Costar Retail Availability
Email to Industrial Agents Society members