

Mr P Turtle  
Hammerhead TV Facilities  
Unit 19 Liongate Enterprise Park  
80 Morden Road  
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CR4 4NY

TL/tc

**Direct Line: 01753 561813**  
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7<sup>th</sup> December 2012

**By Email:** [Paul.Turtle@hammerheadtv.com](mailto:Paul.Turtle@hammerheadtv.com)

Dear Paul

**UNIT 19 LIONGATE ENTERPRISE PARK, 80 MORDEN ROAD, SURREY, CR4 4NY**

Firstly thank you for taking the time to meet with me last week, I now write, as agreed, to summarise our initial thoughts and recommendations in connection with the potential disposal of the above property along with a brief overview of marketing and also a proposed fee basis should we be instructed to act on your behalf.

**THE PROPERTY**

As the property is well known to you, I will not go in to any great detail but would comment that the unit forms part of a modern terrace of warehouse/ production units with office accommodation at ground and first floor level to the front.

The warehouse is of steel portal frame construction with part metal cladding and part block work elevations benefitting from 6 metre minimum eaves, 2 electric up and over loading doors and sodium lighting.

The offices benefit from raised floor, spot lighting and two wall mounted Air Conditioning cassettes.

Externally the unit benefits from good loading facilities at the front and rear and has 7 car parking spaces to the front where the offices are accessed. There are also additional 10 car parking facilities along the side of the building to the rear loading door.

For the purposes of this report, we assume that the premises has an open "B" use under the Town & Country Planning Act and therefore can be used as B1(C), B2 and B8, and no restrictions apply on the hours of use.

The property comprises the following approximate gross internal areas: -

Ground Floor Warehouse	4,437 sq ft	412.24 sq m
Ground Floor Offices	1,158 sq ft	107.54 sq m
First Floor Offices	1,065 sq ft	98.92 sq m
<b>Total (GIA)</b>	<b>6,660 sq ft</b>	<b>618.7 sq m</b>

## **THE MARKET**

It is fair to say that due to the downturn in the UK economy, take up for properties in South West London has been slow in recent years however there are signs of improvement. Although headline rents and sale prices have fallen we are still fielding a healthy amount of enquiries and we have been successful for a number of clients over the past 12 months in disposing of properties that are of a similar size to your unit throughout the South/ West London area.

As you may be aware, there is very little new stock being delivered to the market in the area which has resulted in high demand for good quality refurbished units and it must be noted that in the Mitcham area in particular there are very few comparable buildings to yours available freehold. Indeed the last comparable freehold deal in the area was on IO Trade Centre in Croydon, which is a modern trade counter scheme of a similar specification to your premises; where a unit of c4, 500 sq ft achieved a sale price of £125 per sq ft in April this year.

In terms of the most recent leasehold deal in the area this was at Wates Way, Mitcham where a unit of 5,472 sq ft achieved a rent of £6 per sq ft. However, this unit was of a much lesser specification than your premises.

## **DISPOSAL RECOMMENDATIONS**

With regards to the disposal of your property you have advised us that you are considering selling the freehold. On the basis that vacant possession is provided and the unit is marketed in its current condition with vacant possession, we would adopt a quoting rent of £100 per sq ft with a view to achieving anything over say £95 per sq ft.

In terms of a leasehold value, were we to market the unit with vacant possession we would adopt a quoting rent of £9.00 per sq ft with a view to achieving anything over say £8.50 per sq ft.

Please do not construe this as any type of formal valuation, you have merely asked us for our thoughts on the disposal of this building in the open market with these figures merely being used for marketing purposes.

## **MARKETING RECOMMENDATIONS**

Should you decide to sell the property I would propose that the following be undertaken:-

### **1. LETTING BOARDS**

We will arrange for letting boards to be erected at the main entrance of Liongate Enterprise Park, as well as on the unit itself for identification purposes. We still do generate a number of enquiries from boards and costs are likely to be around £250 plus VAT.

### **2. LETTING DETAILS**

We can produce our own in house details, including a photograph of the unit; the costs will be around £100 plus VAT.

**3. AGENT MAILING**

There is every chance that a new occupier will be represented by an agent and we will arrange for the details to be circulated to all key London, local and regional agents. Allowing for a few circulations, the costs will be around £100 plus VAT.

**4. OCCUPIER MAILING**

In my view there is every prospect that the new occupier will come from the general Heathrow area. We will arrange for mailing of the details direct to these occupiers, and have our own extensive in house lists. The costs are likely to be around £500 plus VAT.

**5. WEBSITE**

Details of the property will be included on our website ([www.edwinhill.com](http://www.edwinhill.com)) with a link to EGI, the interactive service run by the Estates Gazette. The costs will be around £50 plus VAT.

**6. ADVERTISING**

I am not recommending any advertising at this stage as the results do not justify the costs.

In order to cover the above marketing costs, which will be payable in addition to our fees, I would recommend an initial budget of, say, £1,000 plus VAT; this would not be exceeded without your prior consent.

**FEES**

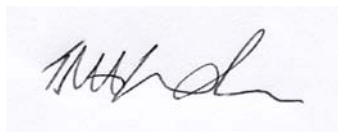
On the question of fees, if we were to be instructed we propose a fee level of 1% of the freehold price achieved. Should you wish to rent the property, on the basis of a sole agency instruction, we would propose a fee level of 10% of the headline rent achieved. This would be exclusive of marketing costs and VAT.

I hope the above is suitable for your purposes at this stage and that the recommendations and proposals contained herein are acceptable.

I will, of course, be pleased to comment further on any of the points raised, and indeed look forward to receiving your further instructions.

Kind regards

Yours sincerely



Toby Lumsden  
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