

9th June 2023

Mr Max Harris.

MH Holdings Corporation Limited

Dear Max,

Re : Ground Floor and Basement 2 Heaton Road, SE15 3NL.

As discussed, please find outlined below our marketing report for the retail unit forming part of the new development at 2 Heaton Road, SE15 3NL

In accordance with the Terms of Engagement, I confirm we commenced marketing of this property in March 2020. This has been on the basis of a new retail premises, available to let, providing a total of 2,194 sq ft (203.8 sqm) arranged over ground and basement floors.

Our original particulars state a price of £70,000 per annum for letting. This equates to approximately £31.90 per sq ft, which is in line with the other similar new retail units being marketed in shell and core finish in the local area.

The rent was then dropped in the first year to £60,000 per annum, £55,000 per annum and now £50,000 per annum for the past six months.

Our on-going marketing for this property has involved:

- 1) Preparation and circulation of details to any parties registering with us as seeking offices of the appropriate size. Copy details enclosed.
- 2) Entry of the property details onto our own marketing website.
- 3) Upload to the commercial property sections of the Zoopla, Primelocation and Rightmove online portals.
- 4) Entry of the property details onto the commercial property industry focused Agent's Society website.
- 5) Response and follow up to any interested parties responding to marketing.

As you aware, we have not had an agency board at the site due to the constantly changing nature of scaffolding and hoarding during your ongoing construction and various other agents board including your own for which all enquiries you received have been passed to us at Field and Sons Commercial.

At all times since our instruction, the property has been and continues to be fully marketed as available for letting, with details being sent to all parties contacting us and for whom the premises might be suitable accommodation.

Unfortunately, during this now over 36 month period of our marketing, we have had very little serious interest in the premises, despite the particulars being sent out to a large number of applicants registered with us or making inquiries for retail space of this size.

Some viewings have occurred however none of the parties to whom we have shown the premises or who made enquiries have wished to follow up the initial interest, with the overwhelming commentary being that the property was in an off-pitch retail location and not suitably configured over two floors that did not suit their business.

For the period in which we have been marketing 2 Heaton Road, we have experienced a decent level of activity and retail / E Class demand in the general South London area, reflecting the improving market conditions following Covid 19 Pandemic.

In general the Peckham area is not viewed as a particularly desirable location for many retail use for the reasons expanded on below. From our own long established commercial agency experience we would confirm that enquiries for retail accommodation in this locality have always been at a far lower level than the more established local locations for such uses nearer to Peckham Rye Station and High Street Peckham.

Given the general desire of retail occupiers to be located in areas perceived as being centres for shopping as noted above, we would unfortunately foresee very limited continued demand for the retail accommodation at 2 Heaton Road. The mind-set within retail based companies is such that in the majority of instances they would want a location seen as somewhat higher footfall that this section of Heaton Road and Peckham Rye does not benefit from. It is therefore our view that the subject premises are proving unattractive to potential business occupiers, given the general location of the property and also combined with the lack of any main frontage or prominence onto an actual high footfall and shopping street.

As such, demand for retail accommodation in the area around this section of Heaton Road and Peckham Rye is very limited.

In summary we would confirm our view that there is extremely limited demand for retail accommodation at 2 Heaton Road as illustrated by the information above. The particular factors to highlight are:

- 1) The location of the subject premises is a distance from the established retail shopping area and is thus not likely to be attractive to business occupiers.
- 2) The very low level of retail activity in the immediate locality over a significant period, supports our professional opinion that the majority of retail occupiers do not view this area as a suitable location for their businesses.
- 3) The very long marketing periods for those transactions which have been undertaken prior to any letting are indicative of the lack of demand.

FIELD & SONS

COMMERCIAL

Field & Sons Commercial
54 Borough High Street
London SE1 1XL
Tel. 020 7234 9639
Fax 020 7407 0543
com@fieldandsons.co.uk
www.fieldandsons.biz

- 4) The evidence and experience of our own agency team both in terms of the instructions we have had in the area and general low numbers of applicants registering with us who will consider this locality for their retail business requirement highlights the lack of demand for retail accommodation in the area.
- 5) Finally regard to the physical nature of the subject premises itself, we would also confirm that the split level layout is generally not attractive to occupiers seeking this size of accommodation. From our experience we would confirm that it is more usual for potential occupiers seeking space in this size range to look for a single floor plate of say circa 2,000 sq ft.

I trust the above information is satisfactory and will await your further instructions, however if you have any further queries please do not hesitate to contact me.

Yours sincerely

Ben Locke

Ben Locke
Director

Field & Sons Commercial

Direct Tel. 020 7234 9639

e-mail: ben@fieldandsons.co.uk

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APPENDIX 1

COPY OF FIELD & SONS MARKETING PARTICULARS FOR

NEW RETAIL AT 2 HEATON ROAD

COMMERCIAL PROPERTY CONSULTANTS AND AGENTS

Field & Sons Commercial is a licenced trading name of Gouldsmith Locke Limited
Registered office at : The Cottage, 2 Castlefield Road, Reigate, Surrey RH2 0SH
Registered in England No 10302402

DIRECTORS

N J Gouldsmith BSc
B J Locke BSc

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APPENDIX 3

COPY OF ENTRY FROM FIELD & SONS COMMERCIAL WEBSITE

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APPENDIX 4

COPY OF TERMS OF ENGAGEMENT

SIGNED BY CLIENT 12/03/2020

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