



Mr Tim Clapham
Clapham Properties Consultancy Ltd
15-17 Middle Street
Brighton
East Sussex
BN1 1AL

(sent by email only to [REDACTED])

4th August 2023
Ref: prg/hjg

Dear Sirs,

22 Queens Road, Brighton, East Sussex, BN1 3XA
Marketing & Redundancy Report

We write following receipt of your instructions to confirm our marketing activities to date in respect of the abovementioned commercial office premises.



Directors: P R Graves
Consultants: C J Halls MRICS, D L Bessant MRICS, N W Cooper MRICS
Crawley: 01293 401040
Residential: 01273 601060

Graves Jenkins is a trading style of Graves Jenkins Ltd
Reg in England & Wales no. 08564183
Reg Office: 44-46 Old Steine, Brighton, East Sussex, BN1 1NH
A list of Directors is available at the Registered Office





Introduction to Graves Jenkins

The practice has been established since 1992 and has now formed itself as one of the leading property advisory firms in the South-East with established offices in Brighton and Crawley covering Sussex, Surrey and the wider area.

We are active in the commercial and residential property markets, Landlord & Tenant work, valuations for all purposes including secured lending, plus property and asset management.

In terms of commercial agency, the writer has been an active agent in the City since 1983 dealing in the retail, office, industrial, investment and development sectors having let, sold and acquired numerous premises for local independent tenants, multiple well-known concerns, major institutions and property companies.

We consider ourselves suitably placed to write a report of this nature and express a professional opinion.

Location & Accommodation

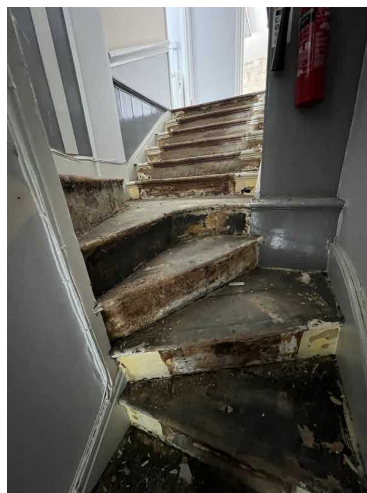
Situated in the heart of Brighton city centre, on the raised level on the west side of Queens Road, providing a direct link to the main shopping area of North Street Quadrant and Churchill Square from Brighton mainline railway station.

Queens Road experiences a heavy footfall both day and night offering a range of multiple retailers, significant office occupiers and surrounded by a densely populated and established residential area.

The station is only 300m north and nearby amenities include the Ibis Hotel, Tesco's Express, Pure Gym, the Sussex Masonic Centre and Regus co-working offices.

Approached from a raised street entrance fronting Queens Road into a shared lobby with the ground floor office/retail tenant (currently vacant) and offering first and second floor offices within multiple rooms and totalling approximately 673 sq ft (62.5 sq m).

A copy of our detailed particulars are attached for reference.





Instructions, Marketing Procedures and Tenant Interest

Our agency instructions were confirmed in November 2022, at which time the previous tenants were in the process of relocating from using the entire property on all floors.

An immediate marketing campaign took place which included.

- Full detailed particulars circulated to our extensive database of office applicants seeking suitable space in the location.
- Circulation of details through specialist mailing houses including the Estate Agents Clearing House system whereby details are sent to all active commercial agents in the south-east region.
- A prominent 'to let' board was erected at first floor level.
- An entry onto the Estate Gazette property link system offering the availability to all London and south-east agents and office occupiers seeking accommodation.
- Advertising within regional commercial property and business publications where appropriate.
- An entry onto our award winning Graves Jenkins website which generates daily enquiries for commercial property.
- Utilising all relevant commercial property portals including CoStar, LoopNet and others.
- Social media exposure including Twitter, Instagram and LinkedIn.
- Openly offering flexible leasing terms and short term leasing arrangements.

Our full marketing campaign obtained numerous enquiries and some potential tenant inspections but no positive offers to consider. Some of the reasons for not taking the accommodation can be outlined as follows.

- Poor entrance with restricted access.
- Multi floor offices and small room sizes not preferred.
- Other higher quality accommodation available in the city.
- Non purpose built offices truly lacking modern amenities.

The premises have been on the open market at the time of writing for approximately 9 months and both the internal and external appearance has declined, specifically since the departure of the former tenants who have left the building in a poor state of repair. It is difficult to justify and convince any landlord to reinvest in the property when we have no assurances over future commercial office occupation due to the transitional period for the office market.

It could be stated that the existing accommodation is beyond commercial repair for its former use as offices purely on viability alone.

We have also reduced our asking terms to attempt to source some tenant interest but the reduction has not stimulated any further response.



Brighton Office Market Overview

The past decade has seen the demand for Brighton offices increase and subsequent rental levels rise as the profile of the city has been elevated and therefore maintained its place as a leading employment centre for the south-east regional economy.

Rental levels were in the low £20/sq ft during the early 2000's and quickly rose to about £25/sq ft around 2010 and have continued to rise to a current full market level of £35/sq ft and continued during the post pandemic recovery period. Any fears of the 'end of the office' due to work from home has been over exaggerated and soon dispelled, particularly in the city centre region. Rental values have risen in most locations due to the general 'ripple theory'.

It is also fair to state that the 2023 Brighton office market has stalled, possibly through the weakened economy, but also reflective of the changes with hybrid working. Occupiers are still seeking to work more efficiently and productively incorporating flexible working. Tenant demand has weakened in the short term. Significantly, planning policy for Permitted Development Rights (PDR) for Change of Use from commercial offices to residential during these years has assisted growth as much of the older stock became redundant and were better used as residential accommodation. This reduced the amount of office accommodation available to the market and with a combination of tenant demand and rent increases, speculative development has taken place. The newly built offices cater for modern day occupational requirements being mainly open plan and with modern facilities.

This strategy continues with certain areas being restricted through the Article 4 direction (to include Queens Road) which in principle is a supported Policy but should not be adopted for office accommodation which is dated and no longer suitable for modern day use.





Professional Statement and Support for Change of Use

Brighton is considered one of the prominent destinations for business outside London and the demand for modern office premises is constantly growing as new buildings are being provided for modern business users, including co-working centres.

The demand for office accommodation is predominantly twofold – open plan modern facility offices in a central location or flexible co-working space suitable for companies who require maximum flexibility to up and downsize. This has been polarised more so since the pandemic.

We are in principle in favour of the city Council 'employment protection policy' as the economic impact in reducing the amount of office space in the city centre would be a blow to the local economy. However, dated office accommodation does not hold any attraction to ingoing tenants and whether it is in the core area or in a more secondary location, it will struggle to be let and will remain empty (as in the case of this property) indefinitely. This makes the property unviable for the property owner and even with further investment on suitable upgrades, the basic floor layout with circulation and access difficulties will have a detrimental effect on the letting prospects.

There are multiple other examples of progressive changes into residential accommodation in the city centre including Queens Road. The outlook for this important thoroughfare is uncertain as the numerous 'to let' boards on dated accommodation can clearly demonstrate (shown in main photo).

We consider we need to encourage the Change of Use for this type and style of office to fuel a constant demand for more modern accommodation to be built speculatively and there are examples of this happening successfully in the city in locations such as Circus Street, Edward Street Quarter, Church Street, Sussex County Cricket Club and others.

Effectively the city improves the quality of its office space offering and at the same time reinvents the city centre location to include more residential accommodation which assists the retail offer and the general community feel.

It is for these multiple reasons we wholeheartedly support the proposed Change of Use on these upper floor offices to well planned residential accommodation.


Yours faithfully,

Graves Jenkins

Graves Jenkins Limited

Report produced by Mr Philip R Graves who has in excess of 35 years extensive experience dealing with commercial property in the Brighton & Hove area.

Philip R Graves


Director
Graves Jenkins Ltd