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UPDATED MARKETING REPORT

Of

8-9 and 10 North Street Arcade

Havant

Hampshire

PO9 1PX

For and on behalf of:-

Tristmire Limited
C/o Malins Group
Unit 7 Horizon Business Park
1 Brooklands Road
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Prepared by:-

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HOLLOWAY ILIFFE & MITCHELL LIMITED Registered in England No 4768036



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1.0 INSTRUCTIONS

- 1.1 Holloway Iliffe & Mitchell have been instructed to show the marketing activity carried out at 8-9 and 10 North Street Arcade, Havant, Hampshire (whilst making reference to the past marketing of the whole site) and the conclusion made as a result of this marketing activity. This is provided as an update to our earlier report dated 14th May 2018.
- 1.2 Holloway Iliffe & Mitchell have been marketing Unit 8-9 since the year 2016 and Unit 10 since the year 2018. Unit 10 was as a result the current tenant executing their 6-month break option and was marketed in advance of their lease expiry. The instructions were gained to market the property by the current owner Trismire Limited on a 'To Let' only basis.
- 1.3 Holloway Iliffe & Mitchell have been involved in the marketing of the whole site since the site was acquired by Trismire Limited, fully marketing the vacant commercial space that comes to the market. Over the past 5 years instructions have been on a regular basis, with tenants not committing to new leases and vacating the site by executing their break notices. This has resulted in low occupancy rates and regular void periods.

2.0 DESCRIPTION

- 2.1 North Street Arcade is a purpose built two-storey mixed use development built over 2 floors and provides in total some 8,222 sq.ft. of accommodation. Unit 8-9 is a double fronted ground floor retail unit with first floor ancillary storage accommodation. Unit 10 is a ground floor retail unit first floor ancillary storage accommodation. Both units are located and accessed at the rear of the arcade from North Street through a self-contained entrance at ground floor level.

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2.2 Internally, the current configuration for Unit 8-9 and 10 provides a mostly open plan retail area with suspended ceilings, florescent lighting, tiled flooring and a stud partitioned store. Access is provided to the first floor through an internal staircase.

2.3 There are 2 dedicated parking spaces with Unit 8-9 and 1 dedicated parking space to Unit 10. Additionally, the site benefits from local parking and good access to Havant railway station.

2.4 Both units have WC facilities provided at first floor level.

3.0 LOCATION

3.1 The subject building is situated on the eastern side of North Street at the junction with Market Parade and Prince Georges Street in an established retail parade. The property is a short distance from the Meridian Shopping Centre (incorporating Wilkinsons) and many other retailers.

3.2 The A27 is approximately 1 mile to the east, leading to Chichester with the M27 motorway network to the west. Havant railway station is a short walking distance away.

4.0 CONDITION

4.1 The condition of both units is such that the incoming party would need to re-decorate and make alterations to the building and the current layout is unlikely to suit an incoming party.

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- 4.2 The landlord has removed all previous tenant's fixtures and fittings from Unit 8-9 which were unlikely to be beneficial to any incoming occupier. However, no additional landlord works or alterations to the retail premises at 8-9 North Street Arcade have been completed due to the fact that it is unknown what an incoming party would require; therefore, this is to be left to negotiations. Unit 10 is still currently tenanted and therefore all current tenant's fixtures and fittings remain.

5.0 ACCOMMODATION

5.1 Unit 8-9

Ground Floor	83.33 sq.m / 897 sq.ft
First Floor	36.37 sq.m / 391 sq.ft
Total Net Internal Area	119.69 sq.m / 1,288 sq.ft

1 x separate WC and wash-hand basin.

Unit 10

Ground Floor	31.91 sq.m / 344 sq.ft
Rear Store	5.48 sq.m / 59 sq.ft
First Floor	14.63 sq.m / 157 sq.ft
Total Net Internal Area	52.02 sq.m / 560 sq.ft

1 x separate WC and wash-hand basin.



6.0 RATES

6.1 The property lies within Havant Borough Council for rating purposes and our enquiries indicate that the premises are currently assessed within the 2017 assessment as follows:

Shop and Premises Unit 8-9: Rateable Value: £7,300

Shop and Premises Unit 10: Rateable Value: £3,600

7.0 MARKETING ACTIVITIES

7.1 We have been instructed to market the both Unit 8-9 and 10 fully and have carried out a number of activities in order to help dispose of the property. This has these included the erection of a flat-board to the front and the rear of Unit 8-9 detailing that a lock-up shop was 'To Let'. As evidenced in our earlier report.

7.2 Marketing details were prepared showing the full extent of the property and what is available in terms of size and rent. These are available either from our offices as a hard copy, or are available to download from our web-site and also the EGpropertylink website along with other sites. Details are also emailed to all applicants in a pdf format. See attached marketing details.

7.3 We have not carried out any significant advertising in the local press as the response from paper advertising is negligible. We took the view with this client that a decent marketing campaign utilising the internet would be far more effective.



7.4 As with most forms of advertising, we find the commercial property web-sites are becoming the norm when it comes to marketing and as such we endeavour to place our properties on the most relevant websites. These are as follows & as evidenced in our earlier report:

- HI&M Interactive web-site: www.hi-m.co.uk
- Estates Gazette - Propertylink: www.estatesgazette.com/propertylink
- Prime Location: www.primelocation.com
- Zoopla: www.zoopla.co.uk
- Invest-In-Portsmouth: www.investinportsmouth.co.uk
- Invest-In-Southampton: www.investinsouthampton.co.uk
- Acquire Premises: www.acquirepremises.co.uk
- Realla: www.realla.co
- Property Sales: www.propertytysales.co.uk

7.5 Outside of the above marketing initiatives, we also carried out a blanket mailer to all our live applicants and target applicants who have a specific requirement for the area.

8.0 ALTERNATIVE USE CONSIDERATION

8.1 As with all commercial property we report any interest to our client and this can include potential change of use.

8.2 Our view is that any interest is worth pursuing, unless you have been specifically instructed not to entertain a certain use. On this occasion, we have had an open mind to the types of users who are likely to occupy the subject unit and through the marketing period, we have undertaken viewings and followed up on interest for alternative uses.



8.3 From a marketing prospective, we are always open to suggesting alternative uses to clients. Despite this, to date, interest has and remains limited. This has led to us supporting the application for the change of use to mixed use accommodation.

9.0 COMPETING MARKET

9.1 Having looked at the current market and the main competition, we continue to find the competition in the area and this ranges from similar properties to the subject unit, through to retail premises in Havant town centre through a search of up to 1,000 sq.ft and within a 3 mile radius of the subject property.

9.2 We are continue to quote £11,000 for Unit 8-9 and £7,750 for Unit 10, over a 3-year term on flexible terms, which is less than current competition to reflect its tertiary location and is comparable to previous lettings completed at North Street Arcade. Despite this, there has been limited interest or no offers made by any potential retail occupiers for either units. This is however a quoting figure and as with all quoting terms it hopefully encourages conversations with an interested party and ultimately leads to negotiations so that the parties can agree.

10.0 INTEREST

Throughout the marketing period we have had further interested parties discuss with us their requirements and their initial interest in the site has been more through curiosity, rather than whether it would suit their business. The main interest we have had to date includes various viewings and below is a list of these interested parties, along with the outcomes that occurred.



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Date	Applicant	Outcome
09/01/19	D.O	Enquiry – nothing further.
04/11/18	D.B	Enquiry – nothing further.
19/02/19	J.B	Viewed –interested but organising occupational quotes. (10)
11/02/19	R.G	Viewed – nothing further as not right location. (10)
18/01/19	C.H	Viewed – nothing further, not in position to progress. (8-9 &10)
18/01/19	D.B	Viewed – put forward an offer, nothing further as they changed their mind. (8-9)
18/01/19	C.C	Viewed – put forward offer, waiting for her colleague to get back; no progress. (8-9)
20/11/18	S.G	Viewed - nothing further, not the right location. (8-9 & 10)
22/11/18 & 02/11/18	J.T	Viewed twice, nothing further, weren't 100% on the works that needed doing. (8-9)
21/10/18	C.J	Viewing – nothing further as not suitable for their needs. (8-9 & 10)

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11.0 MARKET CONDITIONS

11.1 Over the past 18 months, the commercial property market has steadily improved having been through an extremely damaging downturn which has seen challenging conditions in certain sectors, particularly the retail and leisure sectors. However, the retail market has been in the headlines recently with a down turn in demand for retail space, both prime and secondary locations. Much is associated to “on-line” activity rather than traditional retail shopping habits. Other markets such as office and industrial sectors have gradually improved, but as with all sectors where buildings are not in good condition or need a substantial fit out, they tend to struggle to attract tenants. This is reduced further in retail premises which are in off pitch positions with limited visibility.

11.2 The consequence is that only the prime locations benefit, with tenants wanting to be in areas of interest, such as close to motorway networks, modern retail parks, high parking ratios, as an example is Solent Retail Park, Havant a modern purpose-built retail development, which is fully occupied and is within easy access to the motorway network.

11.4 This puts further pressure on secondary and tertiary locations, where retail premises are sub-standard in their specification and limited in their parking. These items will all go against the desirability once in the market.

12.0 FUTURE MARKET CONDITIONS

12.1 As with all future predictions, it is very difficult to know what is likely to happen, however, we feel premises in off pitch locations and those that don't meet the required retail profile will prove increasingly difficult to dispose of and there will be reduced occupancy rates and extended void periods.

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12.2 The tertiary retail market in locations such as Havant has limited demand and is less likely to improve in the medium to long term.

13.0 CONCLUSION

14.1 Through the marketing of 8-9 and 10 North Street Arcade, as well as North Street Arcade as a whole we feel that levels of interest in this area of Havant for retail and other commercial users is at an extremely low-level and that other locations appear to be more desirable. The main factors we felt with the premises at North Street Arcade are that they are situated within a tertiary location with limited visibility where retailers are struggling to compete with larger retail parks and with better roadside frontage. This appears to be the main reason to have prevented interest and proposals for the property. Whereas, we feel an alternative use such as a mixed-use site more prominent retail units located to the front would be much more complementary to the surroundings.

14.2 We also feel that the impact of how the site looks visually has been significant as new businesses wish to have buildings that portray a certain profile and within Unit 8-9 and Unit 10 North Street Arcade, as well as North Street Arcade as a whole, it does not meet that profile. With these issues and the limited interest, we feel that North Street Arcade as a whole would be better preserved if it was redeveloped into a mixed-use site. We feel there is no scope at this moment in time to let either units as a retail property.

14.3 As touched on before, we have looked at alternative commercial uses which we would have supported. However, interest has been limited with no proposals presented even on this basis.



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13.4 We trust this is sufficient for your purposes for the time being, however should there any other questions relating to the information we have provided, then we would be more than happy to discuss further or clarify.

Stuart A Mitchell FRICS MCI Arb.

**For and on behalf of;
HOLLOWAY ILIFFE & MITCHELL LIMITED
www.hi-m.co.uk**

DATED: 8th April 2019