

**SOUTHLEIGH PARK HOUSE
EASTLEIGH ROAD
HAVANT
HAMPSHIRE PO9 2PE**

**HISTORY OF MARKETING ACTIVITY
2015 - 2017**

**Prepared
By**

**LAMBERT SMITH HAMPTON
South Coast Office**

**Date
20th June 2017**

Ref: RCD/CC

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1.0 INTRODUCTION

We are tasked by Terence O'Rourke Ltd to comment on the market response to our promotion of the subject premises and to record the market exposure we have undertaken to promote occupier interest in the existing buildings, since our instructions from the freehold owners of Southleigh Park House (SPH) in June 2015 to the present time.

In addition, we will report on the level of occupier activity we have experienced and highlight the reasons we perceive have prevented us from reaching the client's objectives in re-letting the subject premises.

2.0 LAMBERT SMITH HAMPTON CREDENTIALS

We will briefly describe the credentials of Lambert Smith Hampton (LSH), who are a national commercial property agency practice, and outline the recent history of the Solent office to inform of our extensive local market knowledge and experience.

LSH is the United Kingdom and Ireland's largest commercial property consultancy (a subsidiary of Countrywide Plc). We have a national network of 28 offices and over 1,100 employees. Along the South Coast we have two offices at Fareham and Southampton with agency and valuation departments. We have an intuitive appreciation of the market dynamics and recently for the tenth consecutive year, have been awarded by the national Estate Gazette publication, the Most Active Agent in Hampshire and Dorset and in 2016 were ranked first by EGi the Most Active National Agent in the Industrial and Logistics category. During 2016 LSH's South Coast team transacted over 2 million sq ft of business space in the region.

The principal author of this report, Robin Dickens has during the past 30 years built up a comprehensive knowledge of the industrial and commercial property market in South Hampshire, particularly in an agency and development advisory capacity within the Havant conurbation and travel to work area. He has also participated directly in the local business community being an active member of the Shaping The Future Group (Development Committee), a Past President of Portsmouth and South East Hampshire Chamber of Commerce, a former contributor to the Land and Property Task Group of Hampshire Economic Partnership, former Governor at Highbury College (2003 – 2013) and is currently a Board member of the Land, Infrastructure and Property Panel of the Solent LEP.

Notably, the author has advised and been instructed to market by private clients / institutional landlords etc, many surplus industrial and office premises in Havant and South East Hampshire and has also acted on behalf of both local and corporate companies seeking new

accommodation in the Solent region. This has informed from first hand experience an insight into the mindset of a prospective occupier and the specific criteria they are looking for when selecting a new building or site.

He has gained an in-depth knowledge of the dynamics of the local market and current and past projects have included the marketing of the Kenwood Business Park, Langstone Technology Park, Trident development in Harts Farm Way, Solent Road Trade Park, Langstone Gate offices, Dunsbury Business Park on behalf of Portsmouth City Council, Southmoor Lane, Hayward Business Centre etc in Havant and Stratfield Park, The Parkwood Centre, The Briars, former BAe site in Elettra Avenue, Aston Road Industrial Estate, Wellington Gate, Hussar Court on Brambles Farm etc in Waterlooville; and also recently handled the marketing of the former BAe Shipbuilding facility in HM Naval Base; and undertaken property acquisitions for companies such as EADS Airbus, Snecma Turbomeca, Lewmar Marine, Scania, Babcock International, Scottish and Southern Plc, PETA, Inchcape, Harwood's, Ensinger, FatFace etc.

3.0 HISTORICAL BACKGROUND / LOCATION & DESCRIPTION

The property is situated on the eastern edge of the built up area of Havant in what is a semi-rural location north of the A27 and the town of Emsworth, which is some 2 miles south connected via the B2149 Horndean Road. SPH is some 2 miles north-east of Havant Town Centre, 7 miles north-east of Portsmouth and 12 miles west of Chichester. There are good road communications to the west side of Havant by the A3(M), which runs north towards London and the M25 and to the south is the A27 coastal trunk road which extends east past Brighton as well as west to the M27 to Southampton and beyond.

Havant lies on the main train line to London Waterloo with a travel time of approximately 75 minutes and Southampton International Airport is some 20 miles to the west along the A27/M27. Therefore the property benefits from relatively good accessibility and the surrounding conurbation offers a readily available workforce.

SPH comprises two distinct building elements – firstly the original part is a Grade 2 Listed country residence which was converted in the early 1970s to office accommodation. In the late 1990s they were upgraded to a high standard. The Main House and West Wing form a single two storey building of feature flint elevations under pitched slate covered roofs.

Internally there are a range of medium sized office/meeting rooms along the ground floor, a large open plan office at the front of the first floor together with smaller offices ranged along the rear of the Main House and ancillary WC cloakrooms, kitchenettes etc. The two storey West Wing is connected internally to the Main House and requires substantial renovation and refurbishment to provide office space capable of being occupied.

To the north of the Main House is the former stable block and coach house, both of flint wall construction under pitched slate roofs and part utilised as two storey office accommodation and part of which used for goods dispatch, file storage, staff amenity etc.

To the north of these buildings is the second element which comprises a large modern (1980's built) two storey steel framed building with brick elevations to the rear and fully glazed front facades, designed and fitted out for office use originally but the current tenants are using this mainly for research and development and storage purposes. On the north-eastern corner of the site is the former Lodge, again of flint elevations which has been refurbished.

Ample car parking is provided along the north of the site and to the west of the offices and the total site area and landscaped grounds which extend to some 7.8 acres.

The measured floor areas and breakdown of accommodation are detailed on our marketing particulars, a copy of which are attached in Appendix 2.

SPH is currently occupied by a digital telecoms and media company Snell Ltd (now SAM Snell Advanced Media having merged with Quantel with headquarters in Newbury) who is holding over following a lease expiry in March 2017. They have indicated for some time that they will not renew the lease on a long term basis and will be relocating in the near future (anticipated within a 12 – 24 month timeframe) as the business activity and headcount has substantially reduced in Havant.

4.0 MARKETING CAMPAIGN 2015 - 2017

We have researched and analysed the promotional activity undertaken since June 2015 to April 2017, which demonstrates that a structured and proactive marketing approach has been applied, with a concerted effort to attract occupiers and achieve a new letting on behalf of the landlords, which have not materialised. We were formally engaged to commence marketing on 15th June 2015 (see Letter of Appointment in Appendix I) with the remit to secure a new occupier which could be from a range of employment related uses (subject to obtaining the necessary planning change of use if not consistent with the existing B1a and B1b permitted uses). Our clients have indicated a willingness to consider a freehold disposal which we have borne in mind and informed any potential parties interested in acquiring a capital interest in the property. During this period, we have initiated and undertaken the following marketing activities and have summarised these under specific headings.

1. Sales Brochures/Agency Particulars

From the outset of the instruction to the present time, we have produced and provided to potentially interested parties our typical in house 4 sided, printed colour particulars, incorporating photographs and site plans (see Appendix 2). These have been regularly mailed as described below and sent out to direct enquiries that have been received intermittently –the particulars have been held electronically and are generally emailed to prospective parties, followed up with regular contact to establish their degree of interest.

2. Advertising

Over a number of years now we have experienced a declining and low response rate to property advertising in the media and therefore do not recommend the expense to clients as the response is ineffective. However, SPH has been advertised in the commercial property section of quarterly The Business magazine published by the Portsmouth News and widely distributed both in hard copy and electronically. See Appendix 3.

3. Website

In contrast, the internet is now a major source of enquiry and the availability of the buildings at SPH have been included within our own company website since the inception of the marketing campaign in 2015, and has also featured in property industry websites to which we subscribe, such as EGI Property Link, Novaloca, Rightmove etc. We can also confirm that the relevant information regarding the land has been included in Local Authority websites and Economic Development registers of available land and premises such as the previously called Harbour Forum database.

4. Mailing

This has formed a large element of our marketing campaign and usually produces the best results. We do not hold specific records of each and every mailshot for SPH, as you can imagine this has occurred over a long period of time now. We have targeted local companies in South Hampshire on a regular basis, normally two or three times per year, and have also targeted alternative uses such as the leisure industry, health care and fitness, medical and health consultancies, nurseries, training organisations etc which have produced one or two tentative enquiries.

5. Telephone Canvassing

We have, periodically, undertaken telephone promotion to both occupiers and developers in an attempt to generate some positive response, and whilst we have held a number of interesting discussions over time, nothing of any substance has resulted.

6. Site Boards

In the usual fashion, to identify the property and possibly attract enquiry from passing traffic, we have had for the past two years an All Enquiries/To Let marketing board at the entrance to SPH on Eastleigh Road, which is shown in Appendix 4.

7. Marketing Feedback/Re-Appraisal of Marketing Strategy

On a frequent basis and no less than monthly intervals, the agents have communicated with the client to report new enquiries, on-going interest and to discuss various promotional ideas to generate new leads and maintain the market awareness. In addition we have provided quarterly written schedules of the most likely candidates and requirements, for the Trustees report. Whilst the inability to capture a new tenant or arrange a disposal has been a source of constant frustration, the clients have maintained a flexible and receptive attitude towards trying to accommodate potential interest and have considered all options on a leasehold or freehold basis.

We attach an example of our marketing enquiry schedule in Appendix 5 (1st June 2016).

5.0 CONCLUSIONS

1. Over an extensive marketing period commencing in June 2015 to the present time, a concerted, proactive and targeted campaign to business occupiers (and developers to a lesser extent) has been conducted by a high profile firm of national commercial property agents, LSH from our two local offices on the South coast, under the direct responsibility of Director Robin Dickens.
2. The promotional activity employed and the marketing budget applied to the disposal has been commensurate with the scale, and marketplace of the opportunity at SPH being offered.
3. Our explanation of this poor response from an occupiers viewpoint is a combination of factors, namely the somewhat hidden, secondary location and distance from amenities, public transport routes, Town Centre etc; the nature of the employment catchment area; non motorway location /absence of direct trunk route access; the size likely to attract a corporate type of occupier; the disjointed layout of space in both the two storey unit and inefficiency of occupying Listed Buildings; the high running and maintenance costs of buildings and grounds in comparison to more modern facilities; the better alternatives available elsewhere (for example at Langstone Tech Park and the Langstone Gate offices in Havant and Lakeside at Northarbour near Portsmouth) which are strong competition as they provide superior modern, attractive accommodation to SPH. In

addition, there are more appealing, new employment sites in the area, notably Dunsbury Business Park (50 acres with planning consent for up to 62 000 sq m of employment space and is within 2 miles of SPH) which can satisfactorily accommodate the requirements of modern businesses and has direct access to the A3M.

4. During the marketing period, the UK economy and South Hampshire business space market has been buoyant and demonstrating a positive level of occupier activity, and schemes such as Lakeside in Portsmouth and Langstone Technology Park and Langstone Gate in Havant for example have amongst others, repeatedly and successfully attracted office sector occupiers. Moreover, elsewhere office values have performed well and experienced rental growth, reflecting healthy demand and under supply of stock, indicating the relative strength of the market.
5. In our opinion, the Landlords have not been over ambitious with their expectations on rental value and we are confident that any requirement for a building of this size and nature (as a whole or in part occupation) known to this agency has been offered and encouraged to consider SPH as a suitable relocation for their business.
6. In summary, there is clearly limited and unfavourable occupier demand for SPH due to the various factors we have identified and we consider that this adverse reaction and inactivity will continue into the foreseeable future. The site has recently been allocated for 'early release' for residential use by the Havant Borough Local Plan Housing Statement, adopted December 2016, which has clearly influenced the future development and land use expectation for SLP.

Appendix 1

Letter of Appointment



**Lambert
Smith
Hampton**

www.lsh.co.uk

Acceptance of Terms of Engagement

The Estate Agents Act 1979 provides that an Estate Agent is required to confirm the basis of instructions accepted and the level of fees and disbursements which will become payable.

We are pleased to confirm the terms upon which instructions have been accepted and the level of fees and disbursements that have been agreed as set out below, as stated in our marketing report, and in accordance with the enclosed Standard Terms of Engagement for Agency instructions.

Client	The Trustees of Snell & Wilcox Ltd SSAS c/o Mr Brian Rogers, 35 Chester Terrace, Brighton BN1 6GB
Property	Southleigh Park House, East Leigh Road, Havant PO9 2PE
Agreement	As referred to in our engagement letter of 3rd June 2015 confirming the basis of our instructions, on a sole agency basis, in the event of a successful completion of a sale of the freehold interest, our fees will be calculated on XX% of the sale price achieved up to £XXm plus an additional fee over this threshold based on XX% of the additional sale proceeds, exclusive of VAT. In the event of a new letting, our fees will be based on XX% of the headline annual rent excluding any Tenants' incentives. All fees, disbursements and marketing expenses are quoted exclusive of VAT which will be charged at the prevailing rate.
	Note: Section 5 iii) a & b is to be disregarded and LSH fees will be due on completion of an unconditional sale.

We require you to notify us in writing if you wish to alter the basis of your instructions to us.

In accordance with your instructions we will proceed on your behalf with the matters specified above. The costs incurred will be invoiced to you at appropriate intervals and are payable in addition to the fees referred to above, irrespective of our success or otherwise in disposing of the property.

Please let us have formal confirmation of your instructions by signing and returning to us one copy of this form.

I/We have read and accept the proposal and the Agency Terms of Engagement (which together form the terms of appointment) in respect of the appointment of Lambert Smith Hampton as agent.

I/We confirm that in the event of the property being co-owned, I have authority to sign this document on behalf of all the owners.

I/We will advise you if any aspect of the marketing information is incorrect or later becomes incorrect.

I/we confirm that I/we wish Lambert Smith Hampton to act on my/our behalf upon the terms as outlined above and contained within the Standard Terms of Engagement for Agency Instructions.

Signed	
For and on behalf of	
Date	3 rd June 2015

Appendix 2

Property Marketing Details



**Lambert
Smith
Hampton**

01489 579579
www.lsh.co.uk

To Let

Business Space

Offices / R&D / Light Industry

Southleigh Park House, Eastleigh Road, Havant PO9 2PE



- 33,965 Sq Ft (3,155 Sq M)
- Grade II listed offices & business unit with extensive landscaped grounds on 7.8 acres
- Ample car parking up to 200 cars
- Suit alternative commercial uses subject to planning



Lambert Smith Hampton

3 Manor Court, Barnes Wallis Road, Fareham, Hampshire PO15 5TH T +44 (0)1489 579579

Southleigh Park House, Eastleigh Road, Havant PO9 2PE

Location

The property is situated on the north eastern edge of Havant in a semi-rural location north of the A27 and Emsworth, 2 miles north-east of Havant town centre, 7 miles north-east of Portsmouth and 12 miles west of Chichester. There are good road communications with the A3(M) on the west side of Havant, which runs north towards London and the M25 and the A27 south coast trunk road which extends east past Brighton as well as west as the M27 to Southampton and beyond. Havant lies on the main train line to London Waterloo with a travel time of approximately 75 minutes and Southampton International Airport is some 20 miles to the west along the A27/M27.

Description

The property comprises two elements, the Grade II listed Southleigh Park House including the West Wing with the Clock House and Coach House which have been converted for office use. The second part is a modern two storey steel framed building built in the 1980's on the north part of the site. Parking is set out for 200 cars.

- Gas fired central heating
- Air handling & cooling in parts
- Attractive landscaped grounds
- Site area 7.8 acres (3.16 Ha)
- Current tenant's business unaffected by relocation

Accommodation

We have measured the premises in accordance with the RICS Code of Measuring Practice (6th Edition) and have calculated the following gross internal floor areas:

Accommodation	SQ FT	SQ M
Main House - Ground Floor & Reception	4,073	378.38
Main House - First Floor	3,263	303.14
Main House - Basement	470	43.62
Coach House - Ground Floor	1,709	158.77
Coach House - First Floor	1,078	100.15
Clock Tower - Ground Floor Offices	1,753	162.86
Clock Tower - First Floor Offices	881	81.85
Modern B1 Building - Ground Floor	8,073	750
Modern B1 Building - First Floor	8,073	750
West Wing - Ground Floor	1,760	163.51
West Wing - First Floor	1,871	173.82
Lodge	961	89.28
Total	33,965	3,155.4

VAT

All prices, premiums and rents etc. are quoted exclusive of VAT at the prevailing rate.

Legal Costs

Each party to be responsible for their own legal costs incurred in any transaction.

Business Rates

Rateable Value - £190,000

Rating Assessment Source - www.voa.gov.uk

Uniform Business Rate is £0.493p (2015/2016)

Any intending lessee must satisfy themselves as to the accuracy of this information.

Terms

The property is available on a new lease for a term of years to be agreed subject to periodic upwards only rent reviews.

Rent

On application.

EPC

The Energy Performance Asset rating is C76.

Viewing and Further Information

Viewing strictly by prior appointment with the sole agent:

Robin Dickens
Lambert Smith Hampton
01489 579579
07977 519333
rdickens@lsh.co.uk

Andrew Hodgkinson
Lambert Smith Hampton
01489 579579
07702 801595
ahodgkinson@lsh.co.uk

Southleigh Park House, Eastleigh Road, Havant PO9 2PE

Meeting Room



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New Building



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Southleigh Park House, Eastleigh Road, Havant PO9 2PE

Location Map



Image Copyright reproduced by Promap

January 2016

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- (i) These particulars are given and any statement about the property is made without responsibility on the part of LSH or the seller or landlord and do not constitute the whole or any part of an offer or contract.
- (ii) Any description, dimension, distance or area given or any reference made to condition, working order or availability of services or facilities, fixtures or fittings, any guarantee or warranty or statutory or any other permission, approval or reference to suitability for use or occupation, photograph, plan, drawing, aspect or financial or investment information or tenancy and title details or any other information set out in these particulars or otherwise provided shall not be relied on as statements or representations of fact or at all and any prospective buyer or tenant must satisfy themselves by inspection or otherwise as to the accuracy of all information or suitability of the property.
- (iii) No employee of LSH has any authority to make or give any representation or warranty arising from these particulars or otherwise or enter into any contract whatsoever in relation to the property in respect of any prospective purchase or letting including in respect of any re-sale potential or value or at all.
- (iv) Price or rent may be subject to VAT and any prospective buyer or tenant must satisfy themselves concerning the correct VAT position.
- (v) Except in respect of death or personal injury caused by the negligence of LSH or its employees or agents, LSH will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars or any information provided in respect of the property save to the extent that any statement or information has been made or given fraudulently by LSH.
- (vi) In the case of new development or refurbishment prospective buyers or tenants should not rely on any artists' impressions or architects' drawings or specification or scope of works or amenities, infrastructure or services or information concerning views, character or appearance and timing concerning availability or occupation and prospective buyers or tenants must take legal advice to ensure that any expectations they may have are provided for direct with the seller or landlord and LSH shall have no liability whatsoever concerning any variation or discrepancy in connection with such matters.

**Lambert
Smith
Hampton**

01489 579579
www.lsh.co.uk

Appendix 3

Advertising – The Business Publication January 2016

consecutive year

**Lambert
Smith
Hampton**

01489 579579
www.lsh.co.uk

**INDUSTRIAL UNIT WITH SECURE YARD -
TO LET / FOR SALE**

Unit 21 Wingate Road, Gosport PO12 4DR



- 22,366 Sq Ft (2,077.8 Sq M)
- Detached unit with a secure yard
- Minimum eaves height 6m
- Two loading doors
- Extensive car parking
- Freehold purchase option
- Contact: Guy Jackson or Robin Dickens 01489 579579

**MODERN INDUSTRIAL/WAREHOUSE UNIT
WITH PARKING – TO LET**

Unit D1 Railway Triangle, Walton Road, Portsmouth PO6 1TN



- 10,027 Sq Ft (931.53 Sq M)
- Prominent location with close proximity to A3(M)/M27
- Ground floor office accommodation
- 24 hour security
- 6.7m eaves height
- 12 parking spaces
- Contact: Guy Jackson or Robin Dickens 01489 579579

OFFICES / R&D / LIGHT INDUSTRY – TO LET/FOR SALE

Southleigh Park House, Eastleigh Road, Havant PO9 2PE



- 33,965 Sq Ft (3,155 Sq M)
- Grade II listed Offices & Modern R&D / Hi Tech Business Unit
- Extensive landscaped grounds of 7.8 acres
- Ample car parking up to 200 cars
- 3 miles drive time to Junction 2, A3(M)
- Suit alternative commercial uses subject to planning
- Contact: Robin Dickens or Andrew Hodgkinson
01489 579579

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Appendix 4

Marketing Signboard

BUSINESS NOT AFFECTED

ALL ENQUIRIES

SOUTHLEIGH PARK HOUSE

OFFICES / R&D /

COMMERCIAL ALTERNATIVE USES

SOLE AGENTS

STRICTLY BY APPOINTMENT

**Lambert
Smith
Hampton**

01489 579579

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Appendix 5

Marketing Schedule

Enquiry Schedule

Client: The Trustees of Snell & Wilcox Ltd SSAS

Project: Southleigh Park House

Date: 1st June 2016

Date of Enquiry	Company	Area sq ft	Search Area	Tenure	Comments
New Enquiries					
May 16	Transas Marine	25/35,000	Havant / Portsmouth / Fareham	FH/LH	Viewed twice, relocate offices from abroad. Awaiting visit from CEO.
May 16	Clients of CBRE	10/15,000	Havant / A3 Corridor	LH	Local Havant company undisclosed. Move Q4 2016, short term lease required.
May 16	Brymor Contractors	30,000	South Hampshire	LH/FH	Waterlooville based fit-out contractor, details sent.
Mar 16	Regus	25/50,000	South Hampshire	LH/FH	Serviced office provider, prime location, City Centres not of interest.
Mar 16	Redwood Financial	7,500/10,000	Havant / Portsmouth	LH	Active requirement, move Q3 2016, interested in Lakeside.
Feb 16	Wren Stirling	10/12,000	M27 Corridor East	LH	Details sent, mortgage/financial company. Early stages in search.
Jan 16	Clock Audio	15/20,000	Waterlooville / Havant	FH	Enquired but understand purchasing Wellington Gate in Waterlooville.
Existing Enquiries					
Nov 15	Babcock International	15/18,000	Portsmouth	LH	Currently in Lakeside, call centre operation. Details sent. UPDATE - Likely take Capita sub-let at Lakeside.
Nov 15	Project Submarine c/o Cushman & Wakefield	20/25,000	M27 Corridor	LH	Client search needs high office content plus R&D. Reported options and awaiting further instructions before viewing.



Date of Enquiry	Company	Area sq ft	Search Area	Tenure	Comments
					UPDATE – Remain unsatisfied.
Nov 15	Wunelli	8/12,000	Portsmouth / Havant	LH	Based at Lakeside, motor insurers / telematics business. Could be in connection with lease renewal? UPDATE – Taken space at Lakeside. DELETE
Oct 15	Lead Forensics	10/15,000	Portsmouth	LH	Active requirement, move before end 2015, rumoured going to Lakeside. UPDATE – Taken space at Lakeside. DELETE
Oct 15	SSE	10/20,000	Havant / M27 Eastern	LH/FH	Early stages, may require additional space Q2/Q3 2016. UPDATE – Requirement withdrawn. DELETE
Sept 15	Clients of JLL	30 /40 000	South coast	LH	On behalf anonymous client, R&D plus offices, 50 staff. 7/12 – Reported to clients, no progress at present. UPDATE – Concentrating on Solent Business Park.
August 15	One Avenue Group	15/ 20,000	M27 corridor	FH	Initial search to relocate. 7/12 – On hold. UPDATE – No further activity.
August 15	QLS	12/15 000	Portsmouth/ M27	LH/FH	200 staff in call centre. 7/12 – Move Q3 2016 – no rush! UPDATE – Taken space at 1650 Parkway.
August 15	Aerial Direct	30,000	Gosport, Havant Portsmouth	LH/FH	Currently based in Gosport. Call centre operation. Details sent. 7/12 – Confirmed to retain staff must be Gosport/Fareham. DELETE.
July 15	Lockheed Martin	20,000 – 25,000	Havant /Portsmouth	LH	Currently in Langstone Technology Park. 7/12 – Project lead, will have clearer idea on projects in New Year. UPDATE – Acquired additional space at Langstone Technology Park.

