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MARKETING REPORT

Of

11 St. Georges Walk

Waterlooville

Hampshire PO7 7TU

For and on behalf of:-

The Partners of Warner Goodman LLP
Portland Chambers
66 West Street
Fareham
Hampshire PO16 0JR

Attention: Ian Curtis

Prepared by:-

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1.0 INSTRUCTIONS

- 1.1 Holloway Iliffe & Mitchell have been instructed to show the marketing activity carried out at 11 St. Georges Walk, Waterloooville and the conclusion made as a result of this marketing activity.
- 1.2 Instructions were gained to market the property by Warner Goodman LLP on the 14th November 2008. This was to let the building and we were then later instructed to market the building for sale also. This was confirmed in an email of 26th July 2010. See both instruction correspondence attached.

2.0 DESCRIPTION

- 2.1 The subject property is a detached three storey office building with a ground floor extension to the rear. The building is of brick and block construction under a tile pitched roof with the second floor being housed in the roof, benefiting from dormer windows to the front and rear elevations.
- 2.2 The site benefits from having parking to the front with space for 4 vehicles and approximately 5 to the rear.
- 2.3 The building was formerly set up as a solicitor's office and consequently the internal layout is one of a cellular nature with a number of individual offices and meeting rooms. The top floor was used for file storage purposes.

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- 2.4 The property has a kitchen area on the ground floor, along with ladies and gents cloakrooms and rear access into the car park.

3.0 LOCATION

- 3.1 The subject site is situated on the western side of Hambledon Road, a short distance from the pedestrianised retail precinct, situated approximately one hundred and forty metres to the southeast.
- 3.2 The subject premises have easy access onto the A3 which in turn leads out to the A3(M) at junction 3, via Hulbert Road (B2150). Junction 3 of the A3(M) is situated approximately a mile to the east.
- 3.3 The A3(M) leads northbound towards Petersfield and Guildford and southwards towards Havant and the M27 motorway network heading westwards towards Portsmouth and Southampton.

4.0 CONDITION

- 4.1 The condition of the property 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. However, we understand the client is prepared to offer incentives to allow the incoming parties to alter the building as they wish.
- 4.2 The landlord has not carried out any alterations to the offices due to the fact that it is unknown what an incoming party would require, therefore this is to be left to negotiations.

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5.0 ACCOMMODATION

Ground floor main office

4 rooms comprising	47.19 sq.m / 508 sq.ft
Single storey extension with single office	9.94 sq.m / 107 sq.ft
Kitchen	5.57 sq.m / 60 sq.ft
Ladies & Gents Cloakrooms	
Access to rear car park	

First Floor 4 separate offices totalling 56.67 sq.m / 610 sq.ft

Second floor Open plan storage/ office 51.00 sq.m / 549 sq.ft

Total Net Internal Area 170.37 sq.m / 1,834 sq.ft

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 2010 assessment as follows:

Office (including computer centres): Rateable Value: £11,000

7.0 MARKETING ACTIVITIES

7.1 We have been instructed to market the property fully, along with our joint agents Hughes Ellard and have carried out a number of activities in order to help dispose of the property. These included the erection of a V-board to the front of the property detailing that it was 'For Sale', however we were originally instructed to market the building on a 'To Let' basis. See photo attached of the current board on the subject building.

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- 7.2 Marketing details were prepared showing the full extent of the property and what is available in terms of sizes & rent. These are available either from our offices as a hard copy which are generally posted, or are available to download from our web-site and also EGpropertylink website.
- 7.3 We have not carried out any significant advertising in the local press as the response from paper advertising is terrible and the cost is extremely expensive. We took the view with this client that a decent marketing campaign utilising the internet would be a far more cost 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 (screenshots attached):
- HI&M Interactive web-site: www.hi-m.co.uk
 - Estates Gazette - Propertylink: www.estatesgazette.com/propertylink
 - Wants Space Got Space: www.wantspacegot.space.co.uk
 - Property Pilot: www.propertypilot.co.uk
 - Invest-In-Portsmouth: www.invest-in-portsmouth.co.uk
 - Invest-In-Southampton: www.invest-in-southampton.co.uk
- 7.5 Outside of the above marketing initiatives, we have carried out mailers via email to all our live applicants and target applicants who have a specific requirement for the area. Copy applicant emailer attached.

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7.6 We also send out seasonal hard mailers in which we insert a schedule of current office availability which is sent to live applicants and targeted businesses. Sample insert attached.

8.0 PAST MARKET CONDITIONS

8.1 Over the past 12-18 months, the office market has been substantially damaged by the downturn in the economy and the wider European economy. With the reduction in rent in general across the board, this has led landlords to lower their expectations, particularly when a lease is up for renewal or even with a break option looming and many tenants have managed to renegotiate terms with their existing landlords. This has resulted in a lack of movement in the market and added to the further downward pressure on rental values.

8.2 The consequence is that only the prime locations benefit, with tenants wanting to be in areas of interest, such as close to motorway networks, character buildings, good parking ratios.

8.3 A prime example of this is 1000 Lakeside at Portsmouth, the former IBM site, which has been refurbished to create a stunning office environment in a parkland setting, right on the motorway network. This is even out performing traditional prime locations such as the Solent Business Park at junction 9 of the M27.

8.4 This puts further pressure on secondary and tertiary locations such as Waterlooville, where offices are sub-standard in their specification and limited in their parking. These items will all go against the desirability once in the market.

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9.0 CURRENT MARKET CONDITIONS

9.1 Little has changed in the market in the past 12-18 months. Landlords are being put into a position where, if their tenant is potentially looking elsewhere; they are almost inclined to do any deal to maintain their existing tenants. This is because if they were to face losing their existing tenant, they could be dealing with a long term vacancy and ultimately the liability of covering the business rates, service charge, buildings insurance and repair liabilities.

9.2 As a consequence, rent expectations have continued to remain at their lowest level for some time, which have seen a dramatic drop since 2008 and inducements have risen dramatically since this period also. Demand from office occupiers is still low with alternative space on the market rising in locations such as Waterlooville, particularly in established office locations. Areas such as The Briars, Parklands Business Park, Hussar Court are all experiencing high levels of vacancies and this is putting even more pressure on less desirable locations/buildings such as the subject property.

9.3 This has been demonstrated clearly with Raebarn House, which has recently benefited from a change of use, from offices to residential accommodation. I understand this has now been completed and is currently on the market for sale.

10.0 FUTURE MARKET CONDITIONS

10.1 As with all future predictions, it is very difficult to know what is likely to happen, however, we feel the on-going uncertainty in the economy and the

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wider European economy, along with the issues in the banking system will not help with decision making for local and regional businesses looking to relocate within the office market and as a result, this will keep confidence at a low level which will result in a stagnant market with very little movement.

10.2 City centre and town centre accommodation will see increasing pressure from the more desirable offices in locations centred around motorway junctions and in Parkland settings, as they present a more desirable work environment and give easier access onto the road network. The increase in reliance on I.T infrastructures will also mean that professional services which would have once been reliant on a Town centre location can survive in an office park environment and because of this, offices such as the subject one are becoming surplus to many occupiers' requirements.

11.0 COMPETING MARKET

11.1 Having looked at the current market and the main competition, we have run a recent search on EGPropertylink (please see attached) and have found that the properties listed represent the current competition in the area and this ranges from similar properties to the subject unit, through to purpose built offices in and around Waterlooville and on the outskirts. We have limited this search up to 5,000 sq.ft, but there is plenty of space beyond this. The subject building is priced so that this will encourage a conversation with any interested parties and as with all quoting terms is open to negotiations.

11.2 Although there are no marketing particulars for the sale of the building, we feel that with the board suggesting it is for sale, this will encourage a conversation should anyone be interested in the building.