

Kingsbury

Marketing Report

Relating to



Archway Methodist Church
Archway
London
N19 3TD

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Kingsbury is a specialist development, investment and commercial property agency. We provide agency, consultancy and management services to property owners, investors and developers.

Kingsbury have arranged the sale and letting of numerous commercial buildings, including many with D1 use, and are active within all areas of London and the South East of England.

This report will outline Kingsbury's active marketing of the Archway Methodist Church since our instruction in June 2009, and the negative response we have subsequently received from the market.

The subject property comprises a vacant building of 1930's construction, which extends to approximately 12,427ft² over basement, ground, 1st, 2nd and mezzanine levels and is positioned on a freehold site of circa 0.22 acres.

The bulk of the accommodation within the building is focused around a main auditorium with a stage and seating areas at ground and mezzanine levels. There are a number of smaller function rooms which are accessed from the main hall.

There is vehicular access to the building directly of the Archway Road gyratory system, however; there is only space for a few cars to park.

The property currently has D1 (Place of Worship) Use Class and is locally listed and located within a Conservation Area.

The property is currently in a poor state of repair (internally and externally) and requires extensive refurbishment throughout, including significant structural works.

The building is located within the Archway Road gyratory system (A1), which links Archway Road to Holloway Road.

The surrounding area is comprises a mix of residential and commercial uses, with the majority of the local shops, restaurants, bars and amenities focused on Holloway Road and nearby Junction Road.

The property is in close proximity (easy walking distance) to Archway London Underground station which provides Northern Line services and Upper Holloway station which provides National Rail and London Underground services.

Our clients (the freeholders) purchased the property in 2009 and with full vacant possession. Historically the site had been occupied by the Methodist Church since the 1860's, however; the building became surplus to their requirements and they have moved to a more suitable premises in Archway.

In June 2009, shortly after our clients completed the purchase, Kingsbury were instructed to formerly market the property with a view to arranging a sale.

Although our focus was on achieving a sale, our clients asked us to report any offers for the leasehold interest which may be forthcoming as a result of our marketing campaign.

2.0

Marketing

Kingsbury were instructed to arrange a sale of the property in June 2009 on behalf of the owners and we began our marketing immediately upon instruction.

Kingsbury's marketing campaign involved the following:

- A set of in-house property particulars were prepared.
- Details of the property were placed on our company website.
- Particulars were distributed via email to our company database of approximately 6,000 property companies, agents, corporations and individuals.
- A large "ALL ENQUIRIES" board was erected on site.
- Hard copy particulars were distributed to over 500 London-based agents via the Estates Agent Clearing House system.
- A quarter page advertisement was placed in the Estates Gazette magazine.

In order to generate further interest, we have periodically re-circulated details of the property to our company database. Our records show that this has been done 5 times since June 2009 (March 2010, March 2011, November 2011, September 2012 and April 2013).

In addition, we approached a selection of organisations (who we considered a suitable for the property due to ongoing requirements we were aware of) directly in order to generate interest.

2.1

Guide Price

We decided to invite offers with price to be given on application, as we felt this would encourage enquiries.

When interested parties enquired, we quoted a price of £1,700,000 for the vacant freehold interest, which represents a low capital value of around £137 per ft². This asking price was based on our own research and the sale of similar D1 properties which we have dealt with, and in our opinion this price accounted for the refurbishment that the building needed.

It must be noted that, due to our client's costs in acquiring the property, £1,700,000 was the figure that was required in order to agree a sale.

Our asking price has consistently remained at this level, despite the property market's rapid improvement over the last 2 years or so.

According to our records, we have received a total of 81 enquiries from interested parties since our marketing began. The enquires have been generated mainly from our board at the property, periodic mail outs and the Estates Gazette advert.

To date, we have conducted internal inspections with 24 different parties.

The general feedback we received from parties that viewed the premises was as follows:

- Huge expenditure required to refurbish the property including costly structural remediation works.
- Not enough car parking for such a large building.
- Poor and inefficient layout which does not maximise floor space or capacity.
- Outdated facilities and overall grubby appearance.
- Lack of natural light inside and lack of outside space.

The majority of the interested parties looking to continue the commercial use were religious organisations, specifically smaller and independent church groups, and many of these simply could not achieve funding for both the acquisition and refurbishment works. Other interested operators included theatre companies, charitable organisations and educational establishments, many of which had the same issue.

We did receive 3 offers from parties (all religious organisations) intending to continue the property's residential use, all of which have been below £1,500,000 and therefore simply were not viable for our clients to accept, based on their costs.

Despite our clients instructing us to report any offers for the leasehold interest that may have been submitted to us, none have been forthcoming, which we assume again relates to the costs of refurbishment.

A large proportion of our enquiries have been from property development companies who wish to purchase the property with a view to future redevelopment with a residential-led scheme, and a number of subject to planning permission offers have been received to this end, although; our clients are not willing entertain bids of this nature. I would add that this demonstrates that the market has identified this property as one that is viable, feasible and correctly located for residential use.

To summarise, the response from the market has been poor despite Kingsbury's comprehensive marketing since June 2009 (5 years and 1 month to date).

**KINGSBURY**

Mr J Schreiber
Midos Group
147 Stamford Hill
London
N16 5LG

BY EMAIL & POST

23rd June 2009

Dear Jacob,

RE: Archway Methodist Church, Archway, London N19 3TD

Further to our recent emails with regards to the above mentioned site, thank you for confirming instructions for Kingsbury to act on your behalf in respect of the disposal.

In the first instance, we shall contact LNE Ltd to inform them of our plans to sell the property, and to establish if they wish to make a formal offer. Simultaneously, we shall circulate details to other potential purchasers, as well as to potential occupiers for the retail element of the scheme which will help to underpin value.

Along with the sale brochure (which you have already approved) we shall submit a ¼ page black and white advert to the Estate Gazette which will be published on Saturday 4th July 2009. The costs of the advert is £675 + VAT which would invoice you for now, with this cost being deductible from our eventual fee of 1.5% + VAT payable upon completion of a successful sale. All other marketing costs would be covered by us.

I trust the above is all in order, and look forward to providing you with feedback following our discussions with LNE Ltd, and other potential purchasers.

Yours Sincerely,



Ross Kemp
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Kingsbury is the trading name of Kingsbury Investment
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Registered Office: 788 – 790 Finchley Road London NW11 7TJ





Former Archway Methodist Church Archway London N19 3TD
D1 Premises With Development Potential

Former Archway Methodist Church, Archway London N19 3TD

Executive Summary

- Freehold D1 premises formerly occupied by Archway Methodist Church.
- Extending to approximately 1,154.5m² (12,427sqft).
- Located within a highly prominent position on Archway gyratory system within the London Borough of Islington.
- Significant potential for alternative uses and mixed-use redevelopment, subject to planning permission.

Description

The property, which occupies a site area of approximately 0.088ha (0.22 acres), comprises a substantial building which was most recently used as a Place of Worship (D1 Use).

Floor	Use	Metric	Imperial
Basement	Storage	83.6	900
Ground	Church Hall	619.7	6,670
First	Seating / Meeting Rooms	198.4	2,135
Mezzanine	Seating	176.4	1,900
Second	Meeting Rooms / Office	76.4	822
Totals		1154.5	12,427

All measurements are approximate and provided only as a guide.

Vehicular access is provided directly off Archway Road, where there is parking available for several cars.

Location

The property is located in a highly visible position on Archway Road at the Archway gyratory which forms part of the A1 and is within the London Borough of Islington.

The local area is made up of a mix of residential, office and retail uses, including a selection of cafes, restaurants and bars. Archway is a prominent student centre, with both the University of Middlesex and University College London having campuses in the area.

The area is well served by public transport, being approximately 50m from Archway Underground Station (Northern Line) along with frequent bus services travelling south along Junction Road to Central London.



Planning

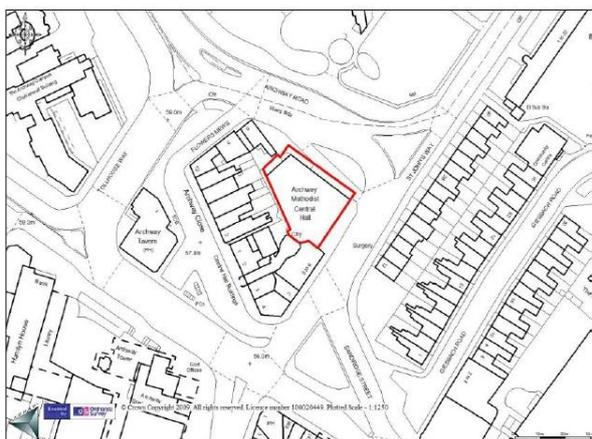
We understand that the property, which benefits from a D1 Use, is Locally Listed and is within a Conservation Area.

Pre-application discussions have taken place with the Local Planning Authority relating to the redevelopment of the site with a new build scheme, and we understand the principle would be supported.

No formal planning applications have been made.

The site offers potential for a high-quality, landmark scheme subject to obtaining all necessary consents.

Further enquires should be directed to Islington Council on 020 7525 2000.



Method of Sale

Offers are invited for the vacant freehold interest on an unconditional basis.

VAT

We understand that the property is not elected for VAT.

Extra Information

A copy of a measured site survey is available upon request.

Viewings

The property is available for external inspection without appointment, or internally by appointment only.

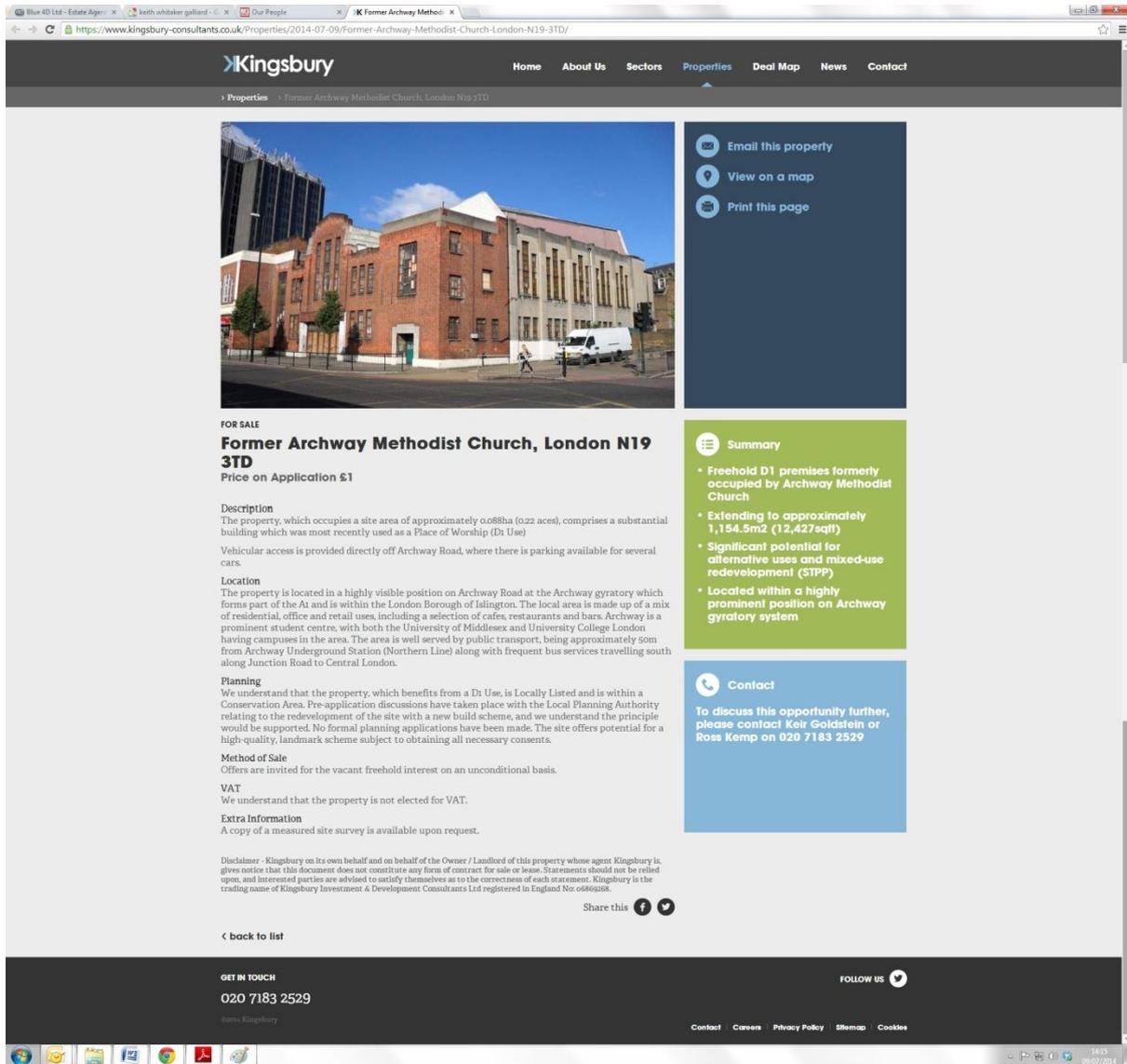
Ross Kemp - 020 7183 2529
ross.kemp@kingsbury-consultants.co.uk



www.kingsbury-consultants.co.uk

Kingsbury on its own behalf and on behalf of the Owner / Landlord of this property whose agent Kingsbury is, gives notice that this document does not constitute any form of contract for sale or lease. Statements should not be relied upon, and interested parties are advised to satisfy themselves as to the correctness of each statement. Kingsbury is the trading name of Kingsbury Investment & Development Consultants Ltd registered in England No: 06869268

Details were originally uploaded to our website in June 2009 and have been featured continuously, although our website has been restructured several times since.



Archway Road, London N19



- Freehold mixed-use development opportunity
- Approximately 0.22 acres (0.088 hectares)
- Located opposite Archway Underground with prominent road frontages
- Suitable for variety of uses such as residential, retail, student accommodation or hotel within a landmark building, subject to planning permission
- For sale with vacant possession

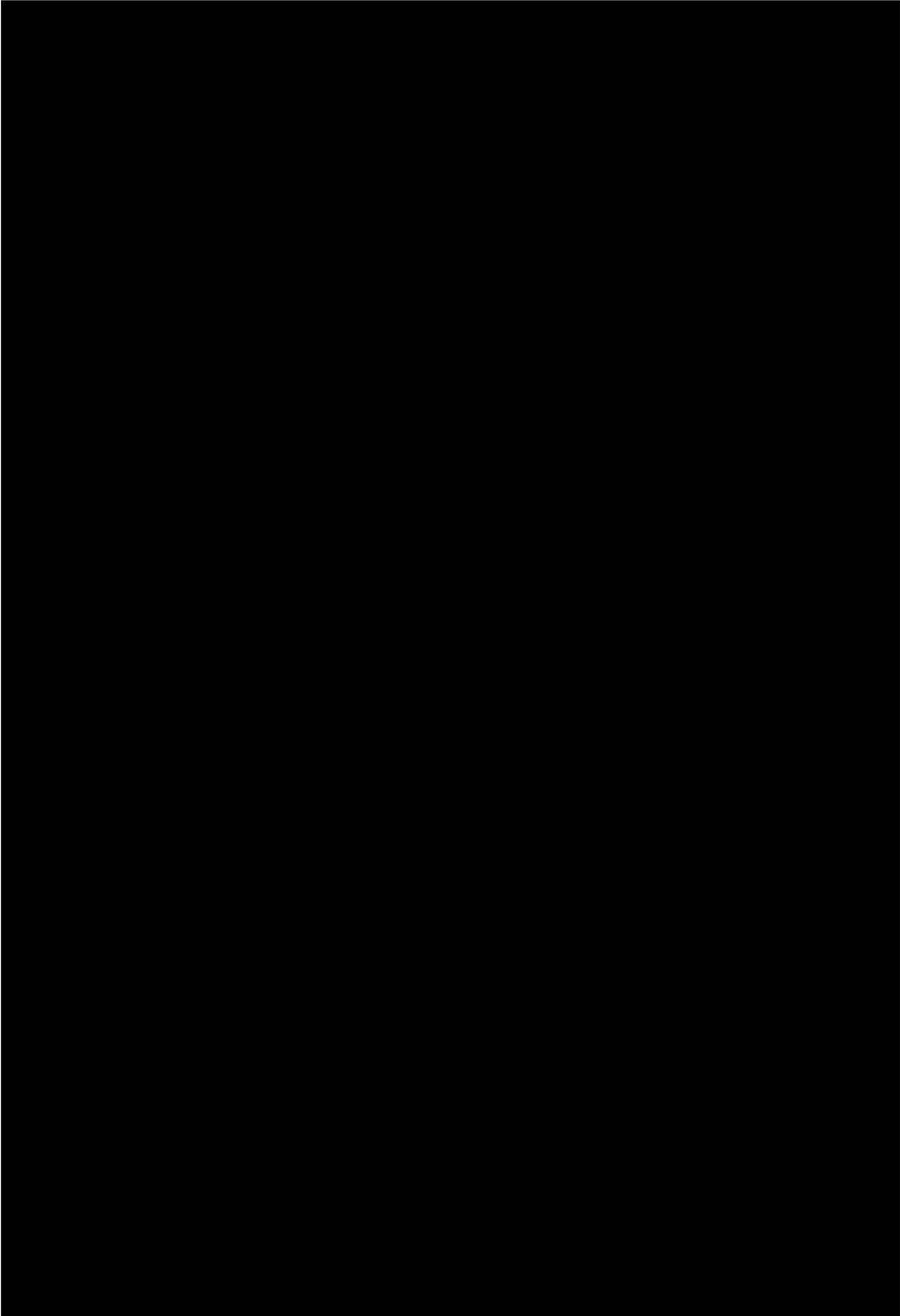
For further information please contact:

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As a result of feedback received from enquiring parties and our own observations, it is clear that there are a number of factors which have majorly contributed to the lack of interest (at a viable level) received from the market; leading to the property has remaining unsold. These factors include:

- The building is in a very poor condition, both internally and externally, and has been since our client acquired the property. The property requires new windows throughout and it is clear that structural works would need to be undertaken due to the deterioration of the building over time. The internal fixtures, fittings and amenities (heating / air conditioning / security / kitchen / WC facilities) are outdated and would require a complete overhaul.

Any prospective purchaser would need to inject a huge amount of capital in order to refurbish the building to a usable state, and as a result, the interest we have received from parties intending to retain the commercial use has been negatively affected.

- There are only several allocated car parking spaces, which for many operators is completely insufficient for commercial premises of this size. The typical profile of parties which have shown an interest in retaining the building as wholly commercial space (religious organisations / theatre groups / educational institutions) have all commented that the lack of parking would be an issue, due to the amount of people visiting the building on a regular basis.

Furthermore, the vehicular access to the building inadequate and comes directly off an extremely busy gyratory system connecting major roads.

- Some interested parties have been put off by the unusual layout of the building, which is essentially an auditorium. Given the building's footprint and height, the accommodation is not efficient and significant structural works would be required to maximise floor areas which would not be viable for most commercial operators.
- There is hardly any natural light within the building due to the layout and there is minimal outside space.
- The outside of the building has continually been subject to graffiti, vandalism and fly-tipping as it is clearly unused, making it an eyesore and unattractive to interested parties.
- The demand for D1 space of this nature has dwindled significantly over time, particularly in respect of Places of Worship. This is mainly due to the general public being less interested in religion and as a result congregations are becoming smaller, meaning that larger buildings such as this are surplus to requirements (the reason why the Methodist Church vacated in the first instance).

The same applies for educational facilities which would generally go for more conventional office buildings (with natural light, modern amenities and outside space) rather than this type of site.

- Many of the religious organisations that have shown interest have commented that the building is too large to support their congregation and therefore the initial expenditure and upkeep would be proportionally too great.

Kingsbury is a company with much experience in regards to the sale and letting of commercial property, with successful transactions completed across London and the South East. I feel that we have done all that is possible to arrange a sale of this property with its existing D1 use, but a significantly negative response from the market indicates that it is no longer desirable or viable.

From our own research and observations, as well as the response from interested applicants it is apparent that potential occupiers would prefer to purchase a property which does not require such substantial refurbishment and which benefit from superior facilities and adequate car parking.

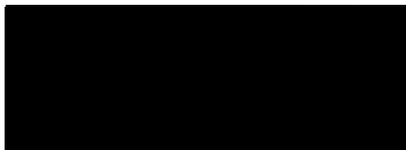
Due to the amount of capital expenditure which is required to bring this property back to a useable state (for commercial use) we have not received any offers which are remotely viable for our clients. This has been the overriding issue here.

The apparent difficulties in securing a sale lead us to the conclusion that this important building would be better suited to an entirely different use if it is to be occupied and utilised in the future, rather than continue to fall into disrepair.

A scheme comprising a mix of modernised commercial space and residential units would be the most suitable option; as this use would make it viable for the eventual developer to undertake the necessary refurbishment works to the building (due to the high end value that residential space creates).

I believe the information above is correct to the best of my knowledge and confirm that my fees on this case are not reliant on the outcome of the planning application.

Signed



Dated10/07/2013.....