

estate agency by

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8th February 2023

Marketing Recommendation Report

Rear of 64 Middleton
Road Hackney
London
E8 4BS



PLEASE NOTE: This report is intended as a guide to marketing and should not be used for formal valuation purposes.



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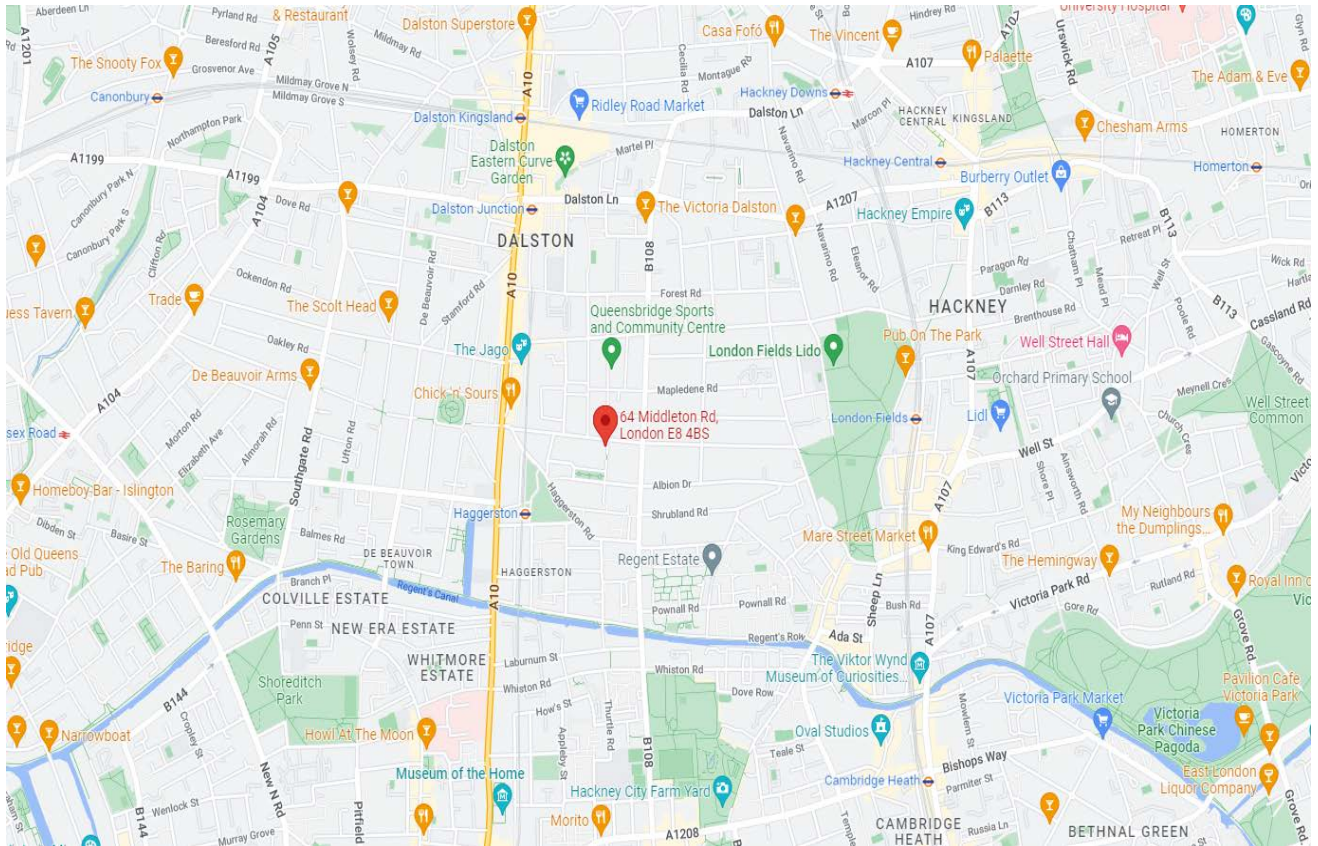
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Summary

Property:	Rear of 64 Middleton Road, Hackney, London, E8 4BS
Location:	Located on the corner of Middleton Road and Albion Square, the demise sits within a residential street and within walking distance to Haggerston overground train station.
Description:	400 sq ft office/workshop that requires rebuilding. The small building is located within a yard which only allows for parking.
Floor Area:	GEA 37.16 sqm (400 sqft)
Condition:	Poor condition, dilapidated externally and internally, requires extensive renovation.
Planning:	Office/Workshop Class E & General Industrial B2
Tenure:	Leasehold
Tenancy:	Available To Let with Vacant Possession
Current passing Rent:	£0
Market Rent:	£16,000 per annum

Pros	Cons
<ul style="list-style-type: none">• Self-contained• Parking• Close to transport links• Popular residential area	<ul style="list-style-type: none">• Dilapidated condition, currently unsuitable for everyday office use• The location is better suited to residential accommodation, not office or workshop• Small size for this type of independent, self-contained opportunity• A high financial investment needed for the building work
Opportunities	Threats
<ul style="list-style-type: none">• Undertake significant renovations to structure of building and upgrading fixtures and fittings to create a single independent office suite• Possible change of use and redevelopment to create a more valuable asset	<ul style="list-style-type: none">• Continued decay may result in the property becoming unsafe• Secluded nature of site and lack of occupation may incur risk of squatting• The cost of necessary renovations and upgrades required to create an appealing office suite will take a significant time to recoup through commercial letting.

Location



The subject property is located within the London Borough of Hackney, which is situated within Greater London, approximately 3 miles north of the City of London and bordered by Islington to the West.

The nearest London overground station (Haggerston) is within 0.4 miles and 8 minutes walk with a 16 minutes journey time to Liverpool Street Station and 14 minutes to Old Street Station.

Road communications are relatively good with fast access to the A1 & A10. The M1 is approximately 10 miles to the North West, the M25 approximately 13 miles North.

The immediate neighbourhood is predominantly residential and benefits from close proximity to amenity space of London Fields. The nearest high street is Kingsland High Street with an eclectic mix of retailers, seeing signs of gentrification in recent years. The popular retail and leisure destination of Broadway Market is 12 minutes walk to the East with numerous boutique shops, bars & restaurants.

Description



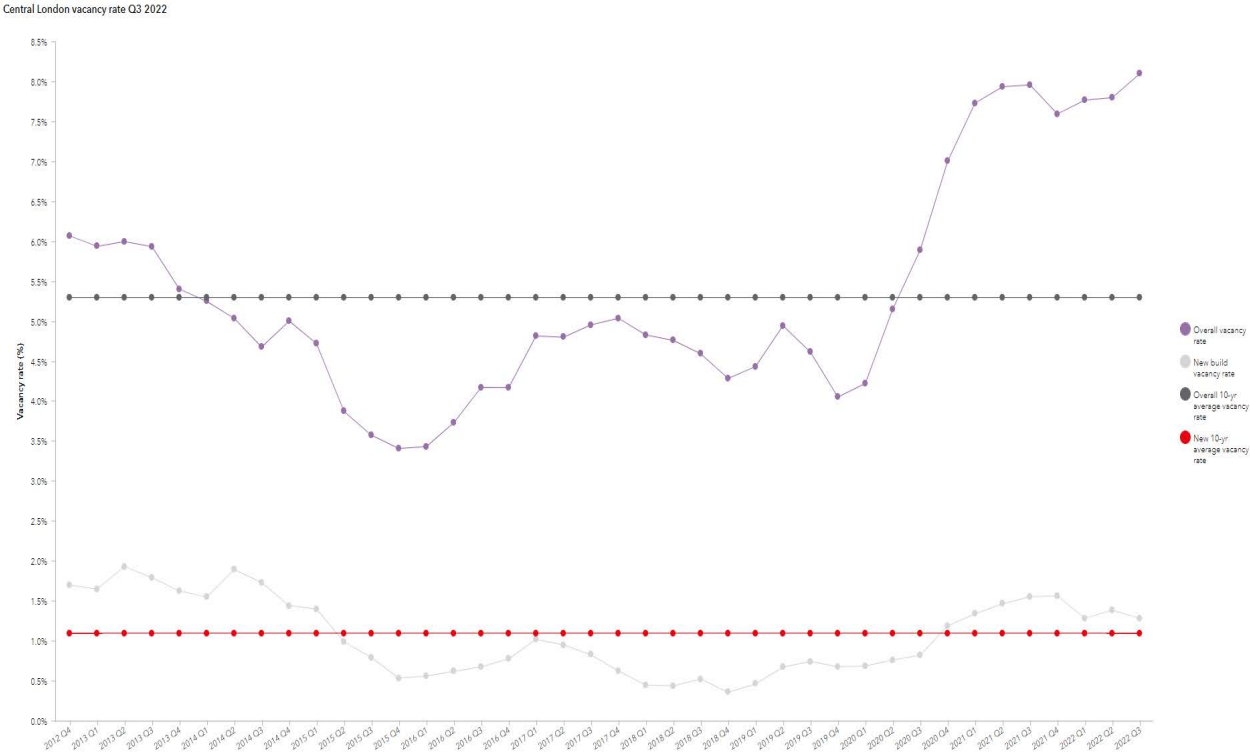
The property comprises a single storey building with approximate gross internal area of 400 sqft (37.16 sqm) of Class E/B2 use and external yard space. We understand that water, mains electricity and drainage are connected to the property but as the property has not been in use in recent years it is not certain that they are currently in working order and would require further inspection by the relevant qualified engineers.

The building is in a notably poor, dilapidated condition, both externally and internally. The building requires extensive renovation work and comprehensive upgrading of the interior to make it appealing for modern office use. In our opinion it would not be considered habitable for everyday office use in its current condition and it would also need upgrading for general industrial use. The building is in a pocket of land surrounded by residential properties and forms part of the title of the residential dwelling, 64 Middleton Road.

Market Overview

As several large buildings under construction over the last few years have been delivered the vacancy rate has edged upwards in recent quarters. Total supply increased to 20.4 million sq ft, mainly driven by an increase in the East London market. The total vacancy rate rose to 8.1% and remained above the long-term average of 5.3%. New build supply continued to fall across Central London as occupiers continue to focus on best-in-class prime stock. New build supply stood at 3.2 million sq ft at the end of September, reflecting a vacancy rate of 1.3%. This remained above the 10-year quarterly average of 1.1%.

A significant factor in this trend is thought to be the rise of serviced office firms, and the move towards co-working. It is no coincidence that the upward vacancy movement in smaller buildings began just as WeWork started its rapid expansion across the capital. WeWork signed its first major London lease deal at 199 Bishopsgate on the final day of 2014, and has since taken more than 1.4 million SF across Central London. SMEs and start-ups have increasingly gravitated to the trendy co-working space on offer, signing fewer conventional lease deals in London’s smaller buildings in the process.



Local Rental Market And Tenant Demand

Whilst the subject property benefits from proximity to good transport links to and from Central London and access to a broad range of local amenities, it would be considered a secondary location choice to the majority of typical prospective office tenants who are responsible for driving current demand. Typically these are SMEs in the creative media and I.T. industries, marketing and content production, architecture, fashion and product design.

With reference to the attached evidence of comparable lettings and notable examples below - within 0.5 miles completed over the last 18 months - the majority of nearby lettings are achieving in the range of £30 to £50 per sq. ft. per annum, with average effective rents in the region of £38 - £40 per sq. ft. based on net internal areas.

The higher figures are seen in serviced office lettings, where the rents are inclusive of business rates, service charge and utilities. These types of lettings are typically taken for shorter and more flexible terms.

Comparable Lettings:



1.03-1.04a Hoxton Street Studios, 12-18 Hoxton Street, London, N1 6NG

675 sqft first floor office

£20,250 per annum (£30 psf)

Let on 20/08/2022 for 3 years lease to Enlightened Publishers LTD

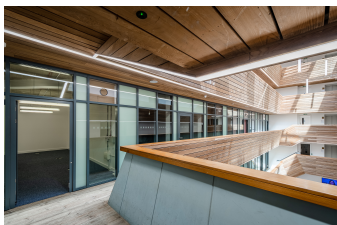


1st & 2nd Floors, 74-76 Kingsland High Street, Dalston, London, E8 2PB

1,950 sqft first & second floor office

£28,800 per annum (£14.76 psf)

Let on 13/12/2022 for 7 years lease to Paige Graham



Studio 17, Arthaus, 203 Richmond Road, Hackney, E8 3NJ

506 sqft second floor office

£13,800 per annum (£27.27 psf)

Let on 22/06/2022 for 3 years lease to Ratio 1.5



Studio 15.1, Arthaus, 203 Richmond Road, Hackney, E8 3NJ

1,001 sqft first floor office

£22,500 per annum (£22.47 psf)

Let on 06/01/2023 for 10 years lease to Broadway Studios Ltd

Marketing Recommendations

Considering prospective tenants, we would expect the unit to appeal to a small company of 4 persons for use as a creative design studio/office, looking for a quiet working environment, as well as person/company who are looking to utilize the space for storage, light industrial, or workshop purposes. As we have noted however the size is a limiting factor and many companies suited to this size of office are opting for serviced offices, which offer flexible lease terms and on site benefits such as meeting rooms and networking opportunities. For a B2 use class tenant, they would typically need a larger space and ideally located on an established industrial park.

You should also factor in the property does need some refurbishment works to bring it up to a more lettable standard and to compete with other commercial spaces within the area. You may find that an ingoing tenant will agree to conduct some works themselves in return for a rent free period, although this could exceed more than 6 months with the rise in build costs over the past few months, therefore it taking longer to see a return on investment for both you and a tenant. If you are open to conducting the refurbishment works yourself you may want to consider extending the property to increase the sq. ft. which will require planning consent from the council.

In regards to the promotion of the property, it has been marketed for £16,000 per annum (£40 psf) since 25th March 2022. Below is a summary of the marketing activities:

- Full colour details and professional photography and floor plans.
- Email-outs to our extensive applicant computerised database.
- Full property details on our website <https://www.fyfemcdade.com/>
- Listings on the portals we subscribe to <https://www.rightmove.co.uk/>, <https://www.onthemarket.com/>, & <https://www.zoopla.co.uk/>
- Inter Agency marketing on Agents Society and the Estate Agents Clearing House

The property has received 1,115 online views in the past 120 days on Rightmove, however no viewing appointments have been requested. Given the response to the property, it would be a sensible idea in our opinion to discuss alternative use classes for the space and perhaps seek planning permission to convert to a residential dwelling.



Marketing report

Middleton Road, Hackney, Middleton Road London, E8 4BN

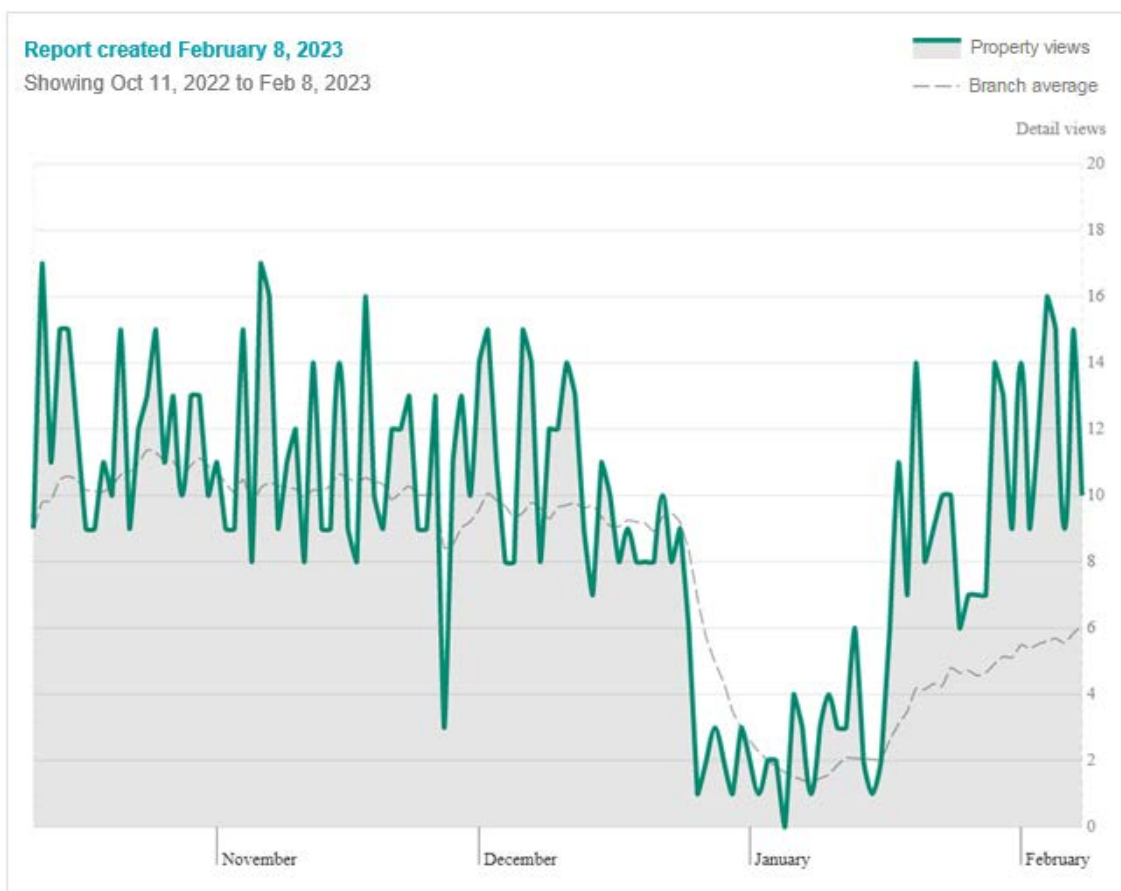
£16,000 pa

📅 Listed: Mar 25, 2022

👁️ Views (last 120 days): 1,115

🔄 Updated: Feb 8, 2023

[View property](#)



Kind regards

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