

Pentland Properties Limited
The Estate Office
Etchinghill Golf Club
Folkestone
Kent CT18 8FA

27 September 2023

Re: Addendum to the Marketing Summary Report in respect of Plot E, Hawkinge Business Park, Hawkinge, Kent CT18 7TQ

Sibley Pares have been requested to prepare a further addendum to the Marketing Summary Report of June 2023 providing additional information pertaining to:

- 1. Deeper analysis of the commercial market in the wider area.*
- 2. Market testing against other, similar units.*
- 3. How comparable property values have changed since 2020.*
- 4. Has the asking price changed since the marketing exercise began in 2019.*
- 5. Who the marketing was aimed at.*
- 6. Is the property still being marketed at the same levels.*

As with the original report, the comments contained remain confidential to the addressee and their professional advisers and are not to be copied, reproduced, or passed to any parties other than Folkestone & Hythe District Council and their professional advisers in relation to consideration of the planning application.

In consideration of the specific questions posed by the Members at Planning & Licensing Committee of 5 September 2023, this addendum aims to comment directly under the six headings above.

1. Deeper Analysis of the Commercial Market in the Wider Area.

There remains volatility in the economy relating to the uncertainty presented by the cost-of-living crisis and invasion of Ukraine, uncertainty that has been compounded by high rates of inflation, and the continued rising of interest rates, with the Bank of England raising interest rates for the fourteenth consecutive time from 5.00% to 5.25% in August 2023. Commercial markets continue to feel these effects and those of the wider economic climate in which the increased cost of borrowing is playing a significant role to lower levels of transacted property in the past 12 -24 month period. The better returns available from the banks has also removed cash reserves from the market in favour of lower risk income streams.

The south east commercial market has fared no different. Some sectors have been more affected than others, most notably the retail and office sectors, largely as a result of changes in consumer habits and the continued demand for a work from home or hybrid office policy. The volatile economic conditions are playing a significant role in the way companies now choose to occupy commercial property which has seen a greater move away from 'out of town' commercial areas to more established and 'secure' trading positions such as areas of high footfall, passing trade, established business parks and within close proximity to public transport to enable them to attract the best quality staff.

2. Market Testing Against Other, Similar Units.

We are instructed on a similar scheme at Saxon Fields, Fairbrass Way, Canterbury, being 4no. commercial units within a residential development consisting of 750 newly built homes. Selling the Long Leasehold interests (virtual freeholds), the units are offered in shell and core being between 64.0 m² (682 sq ft) and 133.0 m² (1,431 sq ft). For reference, I have attached the marketing details as Appendix A.

Canterbury is an historic cathedral city, a popular tourist location and a busy regional shopping centre. It is located adjacent to the A2 which connects it with the greater motorway network. It also has two railway stations both connecting Canterbury with main London terminals, including HS1 which reaches London St Pancras in less than one hour.

The commercial units are situated a short distance from the city centre amongst a large residential development within an affluent district. Marketing begun in late 2021. Since that date all units remain available to let and for sale which further emphasises the limited demand for “out of town” commercial areas.

3. How Comparable Property Values have Changed Since 2020.

There is limited evidence to establish trends to suggest rents and capital values have significantly fallen within the stated period. A more useful comparison is to track the take up space for which we are seeing ‘traditional’ and established commercial areas, for example city centres, business parks and areas with passing trade, continue to transact close or even above pre-pandemic levels (in certain sectors) albeit with landlords having to take more flexible approaches to lease negotiations and often greater incentives to reflect market conditions. This is not consistent with ‘out of town’ locations as stated within the original report.

4. Has the Asking Price Changed Since the Marketing Exercise Began in 2019 and, Is the Property Still Being Marketed at the Same Levels.

The guide prices have not been adjusted since marketing begun. However, a flexible approach has always been taken and any prices quoted represent a guide and not a minimum expectation. All interested parties are encouraged to inspect and to make offers at the levels deemed appropriate to them. The market will ultimately dictate the price someone is willing to pay. This is emphasised by the fact the only sale that was agreed throughout the marketing was at a £220,000 on a subject to planning basis, being considerably below the ‘guide’.

It is a common misconception that by simply reducing the price will have any meaningful effect to the marketing effort. The job of the agent is to generate enquiries with the view to starting a dialogue and elicit offers based on the requirements of the occupier. As mentioned above, the greater difficulty has been finding occupiers for ‘out of town’ locations as opposed to the prices they are willing to pay.

5. Who the Marketing was Aimed at.

The property can be used within B1 and B8 as part of the wider Hawkinge Business Park. The marketing has however targeted alternative uses (subject to the necessary consents) to include but not limited to; leisure, clinic, office, retail, and community uses (to include studios and other creative enterprises). This is evidenced again by the agreed sale to Paul W for a change of use to a hair dressing salon, which was subsequently refused by the planning authority.

To date, our marketing activities have included:

Brochure: A bespoke marketing brochure containing property description and photography was prepared outlining the property's key features and used within the marketing.

Mailing: The property details have been circulated to around 300 applicants on our database known to be looking for properties of this type, including any agents who may be acting on behalf of potential occupiers and any parties enquiring as a result of our other marketing activities. These mailing activities are automatically repeated within our marketing software to ensure they reach any new parties added to the database.

The brochure has been circulated on the Estate Agents Clearing House (EACH) several times, reaching around 250 local and regional commercial property agents on each circulation, who in turn will send on to their clients.

Websites: Details of the property remain on our own website. In addition, it is advertised on internet marketing portals such as Rightmove, Zoopla, Locate in Kent, Loopnet and EGi/Estates Gazette.

Whilst a growing number of commercial agents are continually coming off the larger portals due to increasing costs associated, Sibley Pares remain advertising on all major portals to ensure properties receive maximum exposure.

I trust this suffices for the intended purposes but please feel free to call and discuss any matters if required.

Yours sincerely,



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Appendix A – Saxon Fields, Canterbury, Marketing Particulars