

Farebrother

CAR PARKING AND STORES AT THE BARBICAN ESTATE, LONDON, EC2

Prepared for:
CITY OF LONDON

SEPTEMBER 2017

CORFAC
International

**MICHAEL BRADLEY
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Thursday, 30 November 2017

Dear Michael,

CAR PARKING AND STORAGE, THE BARBICAN ESTATE, EC2

Thank you for instructing Farebrother to provide advice in relation to the rental level of your car parking spaces and storage units at the Barbican Estate. The following report will include; a background of the Barbican Estate; a schedule of comparable evidence and our advised price recommendation for both car parking and stores.

The purpose of this report is to provide the City of London with a professional opinion of what level of rent we would recommend be imposed on the subject car parking spaces and storage units. We do not believe that it is appropriate to provide a Red Book valuation at this stage.

1.0 BACKGROUND, THE BARBICAN ESTATE, EC2

The Barbican Estate is a residential estate, constructed during the 1960s and 1970s. The estate officially opened in 1969, located within the City of London in an area once devastated by World War II bombings. Now, the estate comprises three of London's tallest residential towers at 42 storeys, thirteen terrace blocks, two mews and The Postern, Wallside and Milton Court.

Within and surrounding the estate exists the Barbican Arts Centre, the Guildhall School of Music and Drama, the Barbican public library, the Museum of London, the City of London School for Girls and a former YMCA, forming the Barbican Complex. In addition, Barbican tube station is a stone's throw away from the site. Overall, the 40-acre estate currently consists of over 2,000 flats, accommodating around 4,000 residents. We understand the value of a bedsit in the estate is currently in the region of £1,000,000.00.

2.0 CAR PARKING, THE BARBICAN ESTATE, EC2

2.1 BACKGROUND, CAR PARKING

Within the 10 car parks available to the residents of the Barbican Estate, there are 1,508 car parking spaces, 34% of which are currently vacant. Consequently, it has been anticipated that 201 of these car parking spaces will be converted and alternatively used as storage space, which is currently in high demand.

We understand that the current cost of a car parking space stands at £1,285.00 per annum, inclusive of the service charge (£926.00 per annum). You have advised us that for a number of years the cost of renting a car parking space was not increased but since 2009 the charges have been increased based on the Retail Price Index.

2.2 SCHEDULE OF COMPARABLE EVIDENCE

Below is a list of comparable car parking spaces in the direct area and the wider London market. It is worth noting that we have included both Central, Eastern and Western locations and residential schemes throughout London in this search.

NAME	ADDRESS	PRICE PER WEEK	PRICE PER MONTH	PRICE PER ANNUM	COMMENT
Lexicon	261a City Road, Islington, London EC1V 1AH	£50.00 per space	£216.67 per space	£2,600.00 per space	45 spaces to rent, available to residents at the Chronicle Tower only. Car park is manned 24/7. Residents do not pay any business rates or council tax on spaces. Outside of congestion zone. Developer has not confirmed value of apartments.
Royal Albert Wharf	Lock Side Way, Royal Albert Wharf, London E16 2QJ	£17.31 per space	£75.00 per space	£900.00 per space	54 spaces to rent, available to residents only. Advised that this was the average rental value for a car parking space in East London. Price based on a per week or per annum basis. Outside of congestion zone. Secure car park but not manned. Value of apartments: £360,000 – £750,000 (£304.00 - £645.65 psf)
Battersea Reach	3 Kingfisher House, Juniper Drive, York Road, Wandsworth, SW18 1TX	£38.46 per space	£1,600.00 per space for 6 months	£2,000 per space	2,300 spaces. Price based on a per week or per annum basis. Only residents can rent the space however if there is space available, non-residents can park here too and pay for a ticket. Residents do not pay business rates or council tax on these spaces. Car park attendants Monday-Sunday from 7.00am – 11.00pm. Outside of congestion zone. Value of apartments: £565,000 – £1,375,000 (£1,172.19 - £1,210.39 psf)
Dockhead	41 Dockhead, SE1 2BS	£48.08 per space	£208.33 per space	£2,500.00 per space	These parking spaces are available for both residential and commercial use. 29 commercial spaces and 10 residential.

					<p>Not a dedicated car park but is gated. The price is inclusive of business rates. Price based on a per annum basis. Outside of congestion zone. Not a residential development.</p>
Imperial Wharf	15 Imperial Road, Fulham, London SW6 2UB	£42.31 per space	£183.33 per space	£2,200.00 per space	<p>1,060 spaces. Only offer permits to residents. Car park is manned 24/7. There are 1,060 spaces. Price based on a per annum basis. Outside of congestion zone. Value of apartments: from £1,000,000.00 - £3,400,000.00 (£1,024.59 - £2,059.36)</p>
St George Wharf	21 St George Wharf, London, SW8 2FH	£47.79 per space	£207.08 per space	£2,485.00 per space (residents) £2,982.00 per space (non-residents)	<p>569 spaces, car park is manned 24/7. Price based on a per annum basis. Both residents and non-residents can buy a permit. No tax is paid. Outside of congestion zone. Value of apartments: £495,000 - £8,000,000 (£1,363.63 - £1,444.83 psf)</p>
Chelsea Bridge Wharf	372 Queenstown Road, London, SW8 4PP	£80.80 per space	£168.33 per space	£2,020.00 per space	<p>Price based on a per annum basis. 800 spaces. Non-residents from the hotel can also pay to use the space. Car park is manned 24/7. No tax is paid. Outside of congestion zone. Value of apartments: £385,000 - £3,800,000 (£1,180.98 - £1,644.31 psf)</p>
Dolphin Square	Chichester Street, London, SW1V 3LX			£1,740.00 - £2,100.00 per space	<p>Just over 300 spaces, available to residents and those visiting the spa. Price depends on the size and location. Price based on a per annum basis. Car park manned 24/7. Outside of congestion zone. Apartments not for sale – let from £300-£600 p cm.</p>

2.3 SUMMARY

Taking into consideration the comparable evidence above, we recommend a value in the region of £1,750.00 - £2,000.00 per space per annum, inclusive of the service charge.

Whilst gathering the above comparable evidence, it came to our attention that most housing developments sell their parking spaces opposed to letting them to their residents. Consequently, there is very little direct comparable evidence. We believe that Imperial Wharf is a good direct comparable, given that they also provide over 1,000 parking spaces which are available to residents only, and is manned 24/7. However, Imperial Wharf is located outside of the congestion zone, therefore a reduction from £2,200.00 per space per annum has been made to reflect this. We are also aware that there are a large number of vacant spaces, meaning that supply of parking spaces is in excess of demand, further leading to a slight deterioration in their value.

3.0 STORES, THE BARBICAN ESTATE, EC2

3.1 BACKGROUND, STORES

Currently, there are 1,311 stores available to residents at the Barbican Estate. Demand for stores at the Barbican Estate is relatively high, reflected by the current Residents Waiting list for stores which consists of 260 people. In response to this high demand, it is anticipated that 316 new resident stores will be constructed by Summer 2018 mainly in Breton and Bunyan car parks. These stores will replace 201 current car parking spaces and will range between the following sizes:

TYPE OF UNIT	SIZE (SQ FT)	TOTAL SUPPLIED
Small	43.06	209
Medium	64.6	55
Large	86.1	52

We understand that the prices of the existing stores are as follows:

TYPE OF UNIT	SIZE (SQ FT)	RENT	TOTAL SUPPLIED	LOCATION
Standard (1.2m (l) x 1m (w))	12.92	£313.00 (per annum) £24.23 (per sq ft)	1,167	Residential blocks
Medium (2m (l) x 1.5m (w))	32.29	£373.00 (per annum) £11.55 (per sq ft)	100	Car parks
Large (2m (l) x 1.9m (w))	40.90	£440.00 (per annum) £10.76 (per sq ft)	44	Car parks

3.2 SCHEDULE OF COMPARABLE EVIDENCE

Below is a list of comparable evidence for storage units in London. It should be noted that these are large companies, often with multiple sites, purely set up for storage. They often offer initial deals as seen below on an initial discount and then rolling to a standard price thereafter. The majority of the occupiers of these units are short term, hence the upfront incentive. This should also be noted in the analysis as they will on the whole work out more expensive on an annual basis.

NAME	ADDRESS	PRICE PER WEEK	PRICE PER MONTH	PRICE PER ANNUM	PRICE PER SQ FT	COMMENT
Urban Locker Self Storage	Urban Locker Self Storage, Peterson Court, Peerless Street, London, EC1V 9EX	10 sq ft - £18.45	10 sqft locker - £79.96	10 sq ft locker - £959.52	10 sq ft - £95.95	Advised that pricing for Barbican would be cheaper and that although these are their general prices they often discount the price. Prices are based on a per month or per annum basis, and are inclusive of VAT, not insurance. Withheld any further information.
		12 sq ft - £27.58	12 sqft locker - £119.52	12 sq ft locker - £1,434.24	12 sq ft - £119.52	
		50 sq ft - £65.02	50 sqft locker - £281.76	50 sq ft - £3,381.12	50 sq ft - £67.62	
			100 sqft - £480.96	100 sq ft - £5,771.52	100 sq ft - £57.72	
Big Yellow Self Storage - Kennington	289 Kennington Lane, London SE11 5QY	25 sq ft - £46.20	25 sq ft - £200.20	25 sq ft - £2,402.40	25 sq ft - £96.10	Currently offering 50% off first 4-8 weeks depending on size. Prices on a per week or per annum basis, and are inclusive of VAT but not insurance. If you sign up for a year you get 5% off of your rent and insurance.
		40 sq ft - £51.00	40 sq ft - £221.00	40 sq ft - £2,652.00	40 sq ft - £66.30	

						Will not give information regarding vacancy rate. Gave estimation that 40% spend less than 6 months here.
Attic self-storage	500 Wick Lane, London E3 2TB	25 sq ft - £36.00	25 sq ft - £156.00	25 sq ft - £1,872.00	25 sq ft - £74.88	First 4 weeks free. Prices on a per annum basis, and are inclusive of VAT but not insurance. If you sign up for 1 year you get 4 weeks free and 10% off each month. Vacancy rate confidential. 60% of those who rent storage space spend 3-6 months here.
		60 sq ft - £60.00	60 sq ft - £300.00	60 sq ft - £3,600.00	60 sq ft - £60.00	
		85 sq ft - £63.25	85 sq ft - £448.00	85 sq ft - £5,376.25	85 sq ft - £63.25	
Access Self Storage	48/48A Eagle Wharf Road, Islington, N1 7ED	10 sq ft - £15.77	10 sq ft - £68.32	10sq ft - £819.84	10 sq ft - £81.98	Based on 10 sqft @ £8.54 pw first 8 weeks, £17.08 per week thereafter 35 sq ft @ £17.77 pw first 8 weeks, £35.54 per week thereafter 50 sq ft @ £22.85 pw first 8 weeks, £45.69 thereafter Inclusive of VAT, not
		35 sq ft - £32.81	35 sq ft - £142.20	35 sq ft - £1,706.36	35 sq ft - £45.75	
		50 sq ft - £42.18	50 sq ft - £182.76	50 sq ft - £2,193.16	50 sq ft - £43.86	

						<p>insurance. Prices on a per annum basis. If you prepay for 12 months you get a 20% rent reduction off each month. Current vacancy rate 5%. Gave estimation that 20% of people rent this storage on a long-term basis (for more than 6 months).</p>
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8.3 SUMMARY

Alongside close analysis of the comparable evidence above, we have taken into consideration that the Barbican Estate's storage units within the car parks are manned 24/7 by an on-site concierge, and that they are in very close proximity to the residents' apartments. Consequently, a significant uplift in the current rent for storage is needed. We have also considered that the comparable evidence listed consists of companies who run a business solely dedicated to providing storage space; in some cases, they even pack and provide transport at an inclusive rate to customers. As a result, the comparable storage units will be let at a higher price.

It is important to note that the current prices of existing storage units are historic figures and no justification can be provided as to why they were set at this level. Our price recommendation for the storage units at the Barbican Estate has been based on the comparable evidence found. When taking into account the nature of the storage units and the service that is provided with them, we believe that Access Self Storage is the most direct comparable and have therefore based our price recommendation on their annual rate.

Following consideration that generally incentives equate to £150.00 off of the total rent per annum, alongside the costs incurred through running the business (including service, VAT, land tax), we have deducted a total of £500.00 from the value we arrived at through the use of comparable evidence.

The prices we recommend are laid out in the following table:

TYPE OF STORAGE UNIT	SIZE (SQ FT)	CURRENT PRICE	RECOMMENDED PRICE (RESIDENTIAL BLOCKS)	RECOMMENDED PRICE (CAR PARKS)	TOTAL SUPPLIED	LOCATION
Current Standard (1.2m (l) x 1m (w))	12.92	£313.00 (per annum) £24.23 (per sq ft)	£647.55 (per annum) £50.12 (per sq ft)	£712.905 (per annum) £55.13 (per sq ft)	1,167	Residential blocks
Current Medium (2m (l) x 1.5m (w))	32.29	£373.00 (per annum) £11.55 (per sq ft)	£1,204.91 (per annum) £37.32 (per sq ft)	£1,325.40 (per annum) £41.05 (per sq ft)	100	Car parks
Current Large (2m (l) x 1.9m (w))	40.90	£440.00 (per annum) £10.76 (per sq ft)	£1,659.52 (per annum) £40.58 (per sq ft)	£1,825.47 (per annum) £44.63 (per sq ft)	44	Car parks
Proposed Standard (2m(l) x 2m(w))	43.06	N/A	£1,773.57 (per annum) £41.20 (per sq ft)	£1,950.93 (per annum) £45.31 (per sq ft)	209	TBC
Proposed Medium (2m(l) x 3(w))	64.6	N/A	£2,569.79 (per annum) £39.78 (per sq ft)	£2,826.77 (per annum) £43.76 (per sq ft)	55	TBC
Proposed Large (2m(l) x 4m(w))	86.1	N/A	£3,591.47 (per annum) £41.71 (per sq ft)	£3,950.62 (per annum) £45.88 (per sq ft)	52	TBC

Furthermore, we recommend that the storage units based within the car parks are let at a higher rent than those within the residential blocks, due to the car parks being more secure as they are manned 24/7. We believe that a 10% uplift in value is suitable to reflect the incentive of having 24-hour service and the staffing costs.

If planning permission is granted for the storage units within the car parks to be occupied by non-residents living within a 0.5-mile radius of the Barbican Estate, then this potential increase in demand may reflect a price increase in the region of 10 - 20%.



4.0 WHY FAREBROTHER

Thank you for choosing Farebrother. We feel we can add real value advising you on the value of your car parking spaces and stores for the following reasons:

- Farebrother is an established Practice of Real Estate advisers and Chartered Surveyors who have operated in Midtown since 1799 and have been the niche local leasing specialists for over 50 years.
- Working across Central London and the UK, Farebrother specialise in London Midtown. Our services include providing Leasing, Sales & Development; Investment; Lease Advisory; Occupier Services and Property Asset Management advice across a range of commercial, retail and residential assets or portfolios.
- Farebrother have worked on a number of instructions from the City of London in the area previously, including the lettings of offices at Temple Chambers, EC4, 63 Shoe Lane, EC4, and 36-38 Whitefriars Street, EC4. We are also currently marketing 25 Holborn Viaduct, EC1.

Thank you again for giving us the opportunity to report on this project and we hope that the above includes all the information you require. We look forward to discussing this with you once you have had a chance to review.

Kind regards,

A handwritten signature in blue ink, appearing to read 'John Williams'.

FAREBROTHER



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18 September 2017

Our ref: CWA/A13935

Dear Michael

Barbican Estate – Car Parking & Storage Opinion of Rental Value

Further to our previous correspondence and our site inspection on Wednesday 23 August, we have undertaken our initial research into rental levels for residential parking and domestic self-storage, and are now pleased to report our findings.

Residential Parking

We understand that the Barbican estate was originally built with residents' parking provision. Whilst the apartments were sold on long leases the parking has always been offered to residents of the estate on annual licence and in addition residents can 'buy' spaces at a premium. For the avoidance of doubt our advice is limited to the former, spaces subject to an annual licence, and not the 'owned' spaces.

We understand that the spaces can only be let by the City of London (as landlord) to residents of the Barbican estates due to planning restrictions. You have further confirmed that it is unlikely that the planners would ease this restriction. In comparison to many recently completed developments the amount of parking provision across the Barbican Estate appears very high for a central London development with few recent developments providing the same amount of parking. This, along with a decline in car ownership, has led to a significant vacancy rate within the car parks.

In reviewing relevant evidence we have therefore had regard to residential developments where there are at least 20 spaces that were constructed as part of the development, are secure and under cover. In recent years most residential developments that have residents' parking have had the parking 'sold' as part of the long-leaseholds of individual flats by means of a right to park.

The parking spaces are currently let on annual tenancies inclusive of service charge. We have been provided with a copy of your standard lease we assume the terms of this would not be varied (except as to the level of rent). We believe that the following comparable illustrate the cost of an annual licence within residential developments in a Central London location, along with an indicative capital value of the dwellings within the development, by way of a rate per square foot for a two bedroom flat – where available.

One Tower Bridge SE1 up to £4,420 per space per annum (capital value £1,925 psf)

This is probably some of the most expensive parking within a residential development. The 'Conran Designed' parking is within the recently completed One Tower Bridge development. The parking is restricted to the development's residents only and falls within the congestion charging zone. The parking has achieved rates of between £46 and £85 per space per week.

Elm Park Gardens SW10 £4,680 per space per annum (capital value £1,770 psf)

Located between the Fulham and King's roads Elm Park Gardens was constructed with secure underground parking for its residents. The parking is not restricted to current residents and not within the congestion charge zone. The rate equates to £90 per space per week

Neo Bankside SE1 £3,276 per space per annum (capital value £1,685 psf)

This development is immediately adjacent to Tate modern and located within the congestion charge zone. The parking is modern purpose built secure underground parking. The rate equates to £63 per space per week.

St George's Wharf SW8 £2,485 per space per annum (capital value £1,230 psf)

Located in Vauxhall southwest London and part of the same development as "The Tower" (the tallest residential building in the country), spaces are not restricted to residents but non-residents pay a +18% premium on of the basic charge. The resident's rate equates to £48 per space per week.

Imperial Wharf SW6 £2,200 per space per annum (capital value £1,030 psf)

Imperial Wharf is a modern development located in the fashionable area of Chelsea Harbour. Car parking in this west London development are restricted to residents only. The rate equates to £42 per space per week.

Chelsea Bridge Wharf SW8 £2,020 per space per annum (capital value £1,190 psf)

Located next to Battersea Park and close to the Nine Elms development area centres on Battersea Power Station, these spaces are not restricted to residents but non-residents pay a premium on of the basic charge. The resident's rate equates to £39 per space per week.

Hoffman Square, Chert Street N1 £1,820 per space per annum

Located near Old Street this secure car park is restricted to residents of the residential units. The car park falls outside the congestion charge zone. The rate equates to £35 per space per week.

101 Pentonville Road N1 £1,820 per space per annum (capital value £975 psf)

This development is just within the congestion charge and close to Angel tube station. The parking is secure within this gated development. The rate equates to £35 per space per week.

Angels Apartments, Graham Street N1 £1,560 per space per annum (capital value £950 psf)

Located just north of the congestion charging zone this development is located on the City Road Basin and provides secure underground parking. The rate equates to £30 per space per week.

Riverside West, Smugglers Way SW18 £1,320 per space (capital value £780 psf)

Located adjacent to Wandsworth Bridge the development comprises over 500 apartments. The car parking is secure and manned 24 hours, non-residents can park at a premium.

Seraph Court, Morland Street EC1 £1,300 per space per annum

Also located within the congestion charging zone, spaces within this secure covered car park are available to the general public and achieve rates of between £25 and £28 per space per week. This is the closest comparable to the Barbican estate.

406 Seven Sisters Road N4 £1,040 per space per annum (capital value £720 psf)

This parking is restricted to residents and outside the congestion charging zone. The rate equates to £20 per space per week.

In addition we are aware that City of London residents can purchase a 12 month discounted season ticket for the corporation's car parks for a one-off annual charge of £800. Although Barbican residents who choose this option may not have the benefit of 24 hour security and direct access to their flats.

Domestic Storage

For the purposes of our research we have had regard to facilities providing self-storage to the general public that are manned and are accessible either 24 hours a day or on a restricted basis. These facilities provide individual lockable units, rather than any form of communal storage or facility that is not directly accessible by the customers. We feel that this reflects the way the existing storage and proposed additional units operate.

The domestic self-storage market is clearly segmented. The market leaders, such as Access Storage and Big Yellow Storage, have developed and operate purpose built storage facilities, that provide full staffing, have the longest opening hours (many being 24 hours per day), and additional services such as shops providing packing materials. Being purpose built the facilities they operate from have goods lift and level access to all floors, individual unit alarms and provide goods trolley and cages for customers to move their belongings around the facility.

The other end of the market is typified by smaller operators who may have only a single or few facilities. These tend to have been retrofitted within older warehousing or converted from other uses such as railway arches. The facilities tend to be more limited particularly in respect of access within the building as they may lack modern goods lifts.

We have observed that all storage facilities provide units of comparatively standard sizes with 'locker' type units of between 9sq ft and 15sq ft, and larger 'unit' of 25, 50, 60 (or 65) and 75 square feet. Considering the sizes of your existing storage and proposed units we have had particular regard to prices of 10sq ft 'lockers' and units of between 50sq ft and 75 sq ft. The following are a selection of self-storage facilities in the vicinity with the standard costs of a 12 month contract including VAT and mandatory insurance.

Urban Locker - Paterson Court, Peerless Street, London EC1V

This is the closest self-storage facility to the Barbican. It is located under a residential building (Paterson Court) and is a conversion of existing basement storage areas within the building.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£62.03 psf pa	£65.37 psf pa	£107.66 psf pa

City Storage - Malden Crescent, Chalk Farm Road, London NW1

This facility is most similar to the Barbican being in the former car park (not functioning) of the Denton Estate, on a single level with no lift.

Size	100 sq ft	50 sq ft	12 sq ft	8 sq ft
Rate	£33.72 psf pa	£59.52 psf pa	£107.00 psf pa	£126.00 psf pa

Safe Store - 79-89 Pentonville Road, London N1

An older warehouse building retrofitted to provide self-storage facilities and shop.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£82.92 psf pa	£88.70 psf pa	£211.33 psf pa

Access Storage - Belgrove House, Belgrove St, London WC1H

Another older warehouse building retrofitted to provide self-storage facilities and shop.

Size	75 sq ft	60 sq ft	10 sq ft
Rate	£62.08 psf pa	£67.60 psf pa	£150.00 psf pa

ABC Self Storage - 145-147 York Way, London N7

Again this is an older warehouse building that has been retrofitted as a self-storage facility.

Size	65 sq ft	10 sq ft
Rate	£60.00 psf pa	£163.80 psf pa

Big Yellow – 400 Wick Lane Bow, London E3

An example of the highest quality self-storage facility, this is a modern Purpose built multi-storey facility with ample parking and on-site shop.

Size	50 sq ft	15 sq ft	10 sq ft
Rate	£66.98 psf pa	£95.41 psf pa	£113.36 psf pa

1st for Storage – Carlisle Lane, Waterloo, London SE1

The poorest style of self-storage, located in railway arches close to Westminster and Waterloo station, there is no dedicated on-site parking.

Size	50 sq ft	10 sq ft
Rate	£38.04 psf pa	£93.60 psf pa

Opinion of Rental Values

Considering the evidence provided above, our opinions of the rental value for the Barbican parking and storage are:

Barbican Parking

The evidence we have discovered suggests whilst the primary factor for determining market levels is location, in addition good quality parking provided within a well-managed development – with dedicated 24 hour parking attendants – generally achieves a premium on the charges in the immediate vicinity. The

Barbican estate is located within the congestion charging zone and comparables we have identified within the zone suggest a charge of between £25 and £35 per week, for basic secure parking. To this we consider that a premium would be appropriate to reflect the Barbican's better facilities – specifically in respect of them being manned 24 hours – and that their market rent could be in the region of £2,000 per annum, based on the capital value of the dwellings within the estate.

Without undertaking a thorough survey of all the spaces within the car parks it is difficult to give any firm advice in respect of discounts for non-standard spaces. However, if a space is capable of accommodating a normal sized private car without difficulty it would appear that there would be little rationale for this. In addition, we do not consider that the condition of the Barbican's parking would warrant a discount from observable market levels.

Barbican Storage (existing lockers)

The evidence suggests that 'locker' units – of between 8sq ft and 15sq ft should let between at £110 and £210 per square foot per annum. We consider that given the age of the units the relatively restricted access within the blocks and lack of goods lift to these areas of the buildings the lockers in the Barbican estate should be let at the bottom of this range (ie £110 per square foot per annum).

Barbican Storage (car park units)

You are proposing to create units of 43, 65 and 86 square feet within the car parks across the Barbican estate. The evidence suggests that self-storage facilities in this size range would let in the market at between £34 and £88 per sq foot per annum, for standard quality accommodation, depending on size. However, we consider the fact that none of the car parks is proposed to be wholly converted into a self-storage facility, and that the units will be within still functioning car parks impacts on their value. We therefore consider that an appropriate range of rates (depending on size) would be £33.60 and £60.00 per sq foot per annum, or annual charges for the proposed units of:

43 sq ft	£60.00 psf	£2,580 per annum
65 sq ft	£42.80 psf	£2,780 per annum
86 sq ft	£33.60 psf	£2,890 per annum

Although a clear discounting of rent, based on their size, is observable in the market, we understand that you anticipate that the greatest demand will be for the largest units. Accordingly, when you bring the storage units to the market you may want to price them as you observe demand to be. The charges we have quoted for the comparable self-storage facilities are the quoted retail prices, nevertheless individual facilities are generally able to offer discounted rates if they have over-supply of a specific size as they aim to maximise occupancy and are therefore happy to reduce prices to an extent to achieve this.

In none of our estimates have we made any 'resident' discount, either on the basis that the use of these facilities is limited by planning (which we understand only applies to the parking) or to reflect the Corporation's relationship with its residents. Our estimates are therefore at market levels. Given the number of potential residents within the Barbican estate who could use the parking, we do not believe that the market is artificially restricted to the extent that the corporation as landlord would need to discount from market levels. In addition you have the option to convert spaces to alternative uses, as you are proposing to do with the storage units. Notwithstanding this, you may nonetheless choose to provide a residents' discount to

reflect the wider landlord and tenant or resident relationships, multiple parking spaces being taken by individual residents, level of current vacancy or other factors you consider appropriate.

We realise that the estimates provided would represent increases to the charges currently made to residents. You may therefore want to consider an appropriate phasing of any increases to charges adopted, and instigate a periodic review of market rents to ensure that charges follow the market in the future.

I trust that this provides some assistance in assessing rents within the Barbican estate, do not hesitate to contact me if you require anything further.

Yours sincerely

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Partner

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