



Update

Quarter 1
2011

Having finished 2010 with a strong final quarter, we were keen to replenish our pipeline and carry the positive momentum into 2011. I'm delighted to report that the team succeeded in that quest, and we're celebrating the best quarter in business terms that the Division has returned since 2007.

Furthermore, our projections suggest an equally strong second quarter, that could see us eclipse last year's annual total before the current half year.

In my opinion there is little doubt that the market is showing the first signs of genuine recovery, however, whilst volume is improving, deals remain incredibly difficult to conclude for all concerned.

There is still no let-up in the restricted availability of finance at the professional end of the market, and with the Bank of England expected to increase interest rates as early as May 2011, the cost of borrowing is only likely to go up.

Values, therefore, are not likely improve notably for the foreseeable future, and activity in the marketplace will only come from those buyers able to overcome the various hurdles that the current climate continues to impose.

Over the last three months we've concluded a wide range of deals: As far as **commercial** agency is concerned, we've let a shop in the sought-after Honor Oak parade, sold an office building and redundant Kingdom Hall in Forest Hill for the Jehovah's Witnesses, sold a small parade of retail units in New Cross, let a shop in Catford and sold offices in Beckenham, amongst many others.

Several further **investment** sales were made during the quarter including a High Street freehold in Beckenham, and a block of 10 apartments in Sidcup. As I have reported before, demand for property investments is certain to remain strong whilst interest rates remain low and the Stock Market continues to suffer volatility. Demand undoubtedly outstrips supply in the investment sector, although cash buyers expect healthy returns and therefore asking prices have to reflect competitive yields.

For us, by far the busiest sector of the market during the early part of the year was **development**. We successfully concluded land sales in Grove Park, Chislehurst, Beckenham, Bromley and Charlton, in addition to the acquisition of a strategic mixed-use site in East Grinstead; further commentary of which you will find below. The sales made have all been to cash buyers, and for a mixture

of commercial development, private residential and affordable housing.

In other news, Tom and I attended the international property gathering (MIPIM) in Cannes for the second time in early March. London was the 'City of Honour' and as such there was a major focus on the dedicated London marquee in which we had a presence. Having learnt from the mistakes we made in 2010, this year's trip was much more beneficial from a business perspective, and at the time of writing we're working on two large deals as a result of new contacts made at MIPIM. As you are about to find out, the team will be growing imminently, and therefore we are considering attending MAPIC - a dedicated retail property event in November, again held in Cannes.

As I eluded above, the team will be growing over the course of the next three months: We have a graduate due to start on 1st June, and an experienced candidate starting on 13th June. Introductions will be made in the next Update. The expansion of the team is driven by an increasing workload, our desire to establish commercial agency as a stand-alone team and a call from our clients to return to our roots sourcing virgin, brownfield development opportunities. We hope that our two new recruits will help us to at least begin to work towards those goals.

Our media presence also continues to grow. We took the front cover slot for the MIPIM edition of the Kent, Surrey & Sussex Commercial Property Register (CPR), we were heavily featured in the inaugural Bromley Talking Business supplement recently launched by the Newshopper and continue to advertise regularly in other publications including the Estates Gazette and The Guide. We 'tweet' on a daily basis, and our website is now updated at least once a day with news of new deals and instructions.

Please either telephone our offices or click on www.acorncommercial.co.uk for details of our latest instructions. We'd also be delighted to provide you with a free market appraisal in the event you are currently considering the disposal of a commercial property, investment or development opportunity. As always I hope the remainder of this update proves interesting reading, and welcome any questions or comments you may have.



Jeff East - Director
jeff.east@acorn.ltd.uk

East Grinstead

As planning has evolved over the last 5 years or so, so have our activities in the development sector of the market. Historically, entirely residential projects formed the majority of our workload, but increasingly our efforts involve mixed-use and commercial schemes.

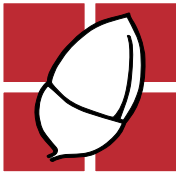
Having concluded large, mixed-use projects involving residential, hotel and commercial elements in Bromley, Sidcup and Bexleyheath over the last 12 months, we have recently acquired a similar site in East Grinstead on behalf of a private client.

The former car dealership is located in the heart of the town centre, and had been marketed by a national agent for several years with only abortive sales resulting.

Our attention was drawn to the site by a major commercial operator with an interest in ultimately occupying part of a new development, and we moved quickly to introduce our client to the sellers, Caffyns, and their agents. An entirely unconditional sale was agreed and contracts exchanged in just 5 days!

Although the site benefits from a historic consent for a large retail unit and 28 flats, our client proposes a landmark, entirely commercial scheme.





SOLD

Forest Hill

Former Kingdom Hall with D1 use opposite Forest Hill Station sold on behalf of the Forest Hill Congregation of Jehovah's Witnesses to faith group the True Jesus Church.



LET

Honor Oak

Lock-up shop unit in a highly sought after parade adjacent to Honor Oak Station let to the neighbouring estate agency business on behalf of clients London & District Housing.



SOLD

Sidcup

Freehold investment comprising the ground rent income from a modern block of 10 apartments sold at auction on behalf of a developer client to a private investment company.



SOLD

Bromley

Prime town centre residential development site with consent for 5 new houses, a retail unit and 3 new apartments sold on behalf of a Central London based investment company to a local private developer.



SOLD

Beckenham

Rarely available High Street freehold comprising a large retail unit with 2 bedroom flat in uppers sold to an owner occupier currently operating from rented premises in the same parade.



SOLD

Clockhouse

Redundant former office building close to Clockhouse Station with potential for residential or mixed-use development, sold on behalf of a private client to an investment firm.



SOLD

Charlton

Derelict former public house close to Charlton Athletic FC with planning permission for 9 residential units sold for a family trust to Greenacre Homes, working in partnership with Viridian Housing.



SOLD

Ightham

Disused office building occupying a substantial rural plot on the A25 sold on behalf of the Sevenoaks Congregation of Jehovah's Witnesses to a local media firm for their own occupation.