

Update

Quarter 4
2012

A frantic end to the year and encouragingly busy start to 2013 has left me struggling to find the time to recap on the final quarter, and indeed the year as a whole. But what a great year it was!

Admittedly business remains a challenge, but I can't help looking back at 2012 and only seeing positivity. The success of the Olympic and Paralympic Games, and the nation's sporting achievements in general (save for the football) seemed to give everyone a reason to be cheerful away from the office. Furthermore the focus on the UK, and the capital in particular can only be a good thing?

2012 proved to be an excellent year for the Acorn Group, and the Commercial & Development Division contributed more than its fair share to the greater good. Turnover both for the wider company and our team was up on 2011, and 2013 already looks set to be better still.

Our team deals with a diverse array of properties, which leaves us well-placed to comment on market trends. There is no doubt that over the last 12 months well-let investments, owner-occupier lots, prominent retail space and development sites have been the hot commodities, and there is no sign of that changing in 2013.

The final quarter saw us conclude several more notable transactions on behalf of clients including Barnardo's and the Berkeley Group, in addition to private and public property companies based both at home and abroad. For Barnardo's we sold a vacant freehold in Wembley (see below), and for St James (Berkeley Group) we let a new retail unit to Tesco before disposing of the resultant investment. We sold a development site for a Dubai-based investment fund, and acquired another for a niche developer that operates predominantly in Los Angeles.

Our second Travelodge opened (in Bromley) and we have a Premier Inn under construction in Bexleyheath.

Our current team has been together for sometime now, which encouraged Tom and I that it was time we strengthened further. With this in mind, David Woolman is joining Tom and Chris Henshall at our London Bridge offices in early February. David is a Chartered Surveyor, and for the last 4 years has worked for a substantial property PLC in the North West. David has a burning desire to work in London, and we've no doubt that his broad experience will see him settle into the team quickly.

There's much afoot in Group news too with several business development projects in the pipeline, and some exciting re-location plans that will involve our Bromley team. Watch this space!

Given that this Update is so late I can also offer an insight to the first three weeks of 2013, which have been no less frantic than the last three weeks of 2012! We've already completed deals with a total value of more than £10m, and as a result we're keen to secure new instructions across all sectors and areas. Please contact me personally if you have a property to let or sell, and if you're interested in our current availability, please click on www.acorncommercial.co.uk.

If you've made it to the end of my commentary, I hope you find the rest of this update interesting! I would also like to take this opportunity to wish you a prosperous 2013.



Jeff East - Director
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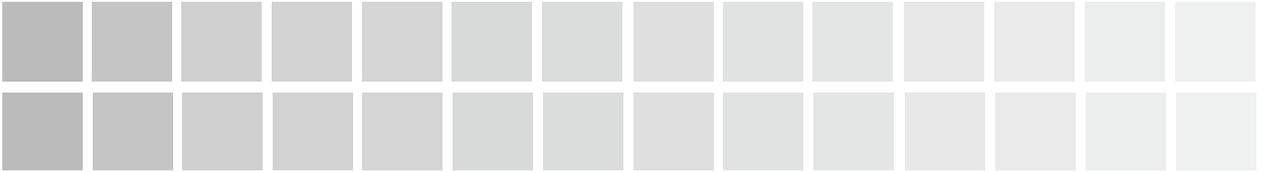
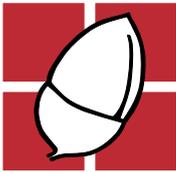
Wembley

Acting on the instructions of valued clients Barnardos, Acorn's Commercial & Development Division has successfully completed the sale of a redundant detached building in a quiet residential street close to Wembley Stadium.

Previously let to Brent Council and operated as a respite care centre for autistic children, Acorn were instructed by Barnardos when Brent's lease expired and the facility was relocated to new premises. We employed a high profile, national marketing campaign and offers were forthcoming from residential developers, day nurseries, surgery operators and private individuals.

The property was ultimately sold for a full £150,000 more than the published guide. The private buyer intends to re-instate the 1920's building and it's near half acre plot to a substantial family home.





LET & SOLD



Deptford

2012 saw a considerable increase in the number of investment sales concluded by our team. Large or small, local or further afield; we had no trouble finding cash buyers for sensibly priced lots. We were initially instructed by St James (part of the Berkeley Group) to locate a tenant for a commercial unit in their One SE8 development at Deptford Bridge. Having secured a pre-let to Tesco Stores Ltd we set about disposing of the investment. Considerable interest was generated, and a sale ultimately concluded to a private pension fund. For the statisticians amongst you, the long leasehold interest was sold at a NIY of 5.6%.

SOLD



Orpington

This High Street lot is a typical example of the numerous investments sold by our team in 2012, and of the success we've achieved. Comprising a shop let to a charity, and flat let separately on an AST, we sold the freehold at a blended NIY of 5.4%.

ACQUIRED



Hoxton

We don't just sell investments; we acquire them for clients too! This modern long leasehold unit, well secured to a private convenience store operator was one of a pair bought for a Midlands-based private client in 2012. The property was acquired at a 7% NIY.

LET



Chislehurst

Retail units in Chislehurst's busy and popular High Street rarely come available, but we concluded the letting of two in the final quarter of 2012 alone! This particular property is positioned opposite the pond, extends to approx 750 sqft and was let to a bridal outfitters.

NOW OPEN



Bromley

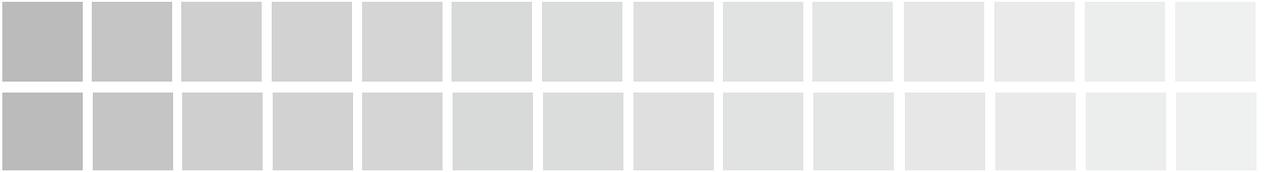
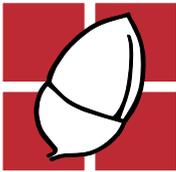
We're on a single-handed quest to ensure that travelling salesmen, wedding guests and other adventurers have plenty of accommodation options across the South East! Following the opening of the Sidcup Travelodge in September 2012, Bromley's first town centre hotel quickly followed in November. Acorn worked closely with Bromley-based developers Skillcrown and architects Pellings to conceive a viable project in a tough economic climate. Skillcrown undertook the construction in-house, successfully delivering the 92 bedroom hotel to Travelodge, a commercial unit and public car park ahead of schedule.

SOLD



Mottingham

Whilst initially instructed to let this vacant former car showroom on Mottingham Road, we ultimately sold the entire freehold to include two upper flats! Interest was shown at an early stage by a neighbouring business only willing to buy the premises, and we succeeded in persuading the freeholder accordingly.



SOLD



Lewisham

The final quarter saw a race against the clock to conclude the sale of this site, and more importantly get construction started before the planning consent expired. Acting for a Dubai-based investment fund we quickly agreed a sale to JFD Developments, but that wasn't even half of the battle! With the valued co-operation of both solicitors and the architect, pre-commencement conditions were tackled and a material start made on site even before completion had taken place. In fact, such good progress has been made that the 6 apartments are expected to be finished by late Spring!

LET & SOLD



Welling

Having negotiated new lease terms with the longstanding commercial tenant in order to improve the investment value, we were subsequently instructed to sell the freehold. A number of offers were received, and a sale ultimately concluded to a private investor at a price reflecting a 7.2% NIY.

LET



Crystal Palace

Following an unsuccessful marketing campaign undertaken by another agent, Acorn were appointed to dispose of this redundant two storey office building in the Crystal Palace 'triangle'. Change of use was secured and the property let to national educational providers Kumon.

LET & SOLD



Beckenham

As part of our ongoing management of a client portfolio, we renegotiated the terms of the lease on this retail unit. We secured a longer term and 28% increase in the rent, before disposing of the investment to a private, local buyer at 7.5% NIY.

SOLD



Mitcham

We don't just sell commercial investments - we like residential deals too; and unbroken freehold blocks in particular. This attractive modern block comprises six 2 bedroom apartments located close to the A217 London Road. All let on Assured Shorthold Tenancies and producing a total of £62,100 per annum, the block was sold to a private investor at a price reflecting a NIY of 6.5%.

LET & SOLD



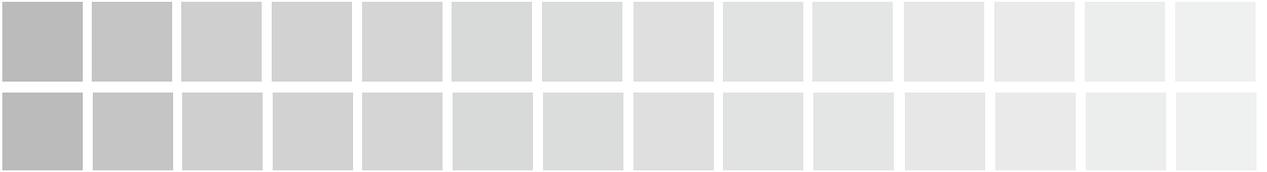
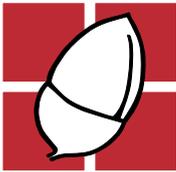
Fulham

We acquired this period property for a client in 2011, and following extensive refurbishment, were retained to dispose of the ground floor commercial element. After securing a letting to an antique dealer, we arranged a sale of the investment to a private buyer.



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Jeff East
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Jeff retains management control of the Commercial & Development Division in addition to co-ordinating key client accounts including those of Barnardo's, Bromley Council and our new investment fund.



Kevin Neun
 Associate
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Kevin has vast experience in the letting of retail and office space, and also focuses on the sale and acquisition of investments for private, institutional and overseas clients.



Tom Castro
 Projects Co-ordinator
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Tom is fast becoming an expert on the commercial property market in South London, and seems to have the golden touch! Freehold or leasehold, vacant or let; Tom doesn't mind!



Warren Guest
 Projects Co-ordinator
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Warren is hugely experienced in the sale and acquisition of residential and mixed-use development sites (he's older than he looks) and is always chasing new instructions.



Chloe Rees
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Sarah Macvean
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Chloe & Sarah manage the administrative responsibilities for both teams from taking enquiries, greeting clients and co-ordinating meetings, to updating the website, running marketing campaigns and organising events. Their time is split between both offices, seemingly to keep the rest of us on our toes!



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Tom Luck
 Director
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Tom is a Director of the business and co-ordinates the team's activities in Central, North, East and West London from our offices at London Bridge. Big deals are Tom's forte, and the more complicated the better!



Chris Henshall
 Projects Co-ordinator
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Chris has made a name for himself focussing on the acquisition and disposal of retail and office space in the Central London fringes. Based from our London Bridge offices, Chris is retained by a number of blue chip and private commercial operators to source new premises.



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