

Marketing Report – Unit T1 & T5, Circle Square, Vita Living North

Introduction

Retail units T1 & T5 within Vita Living North, Circle Square, are arranged over ground floor and mezzanine level. Following completion of the building the retail spaces were handed over in September 2021.

As a result of the Covid-19 pandemic, little to no pre-let activity happened across the market prior to practical completion. They have since been marketed for close to two years with specialist local agency [LTL Property](#) and subsequently on a joint agency basis alongside national agents [Graham+Sibbald](#) for the last six months in an effort to maximise exposure to the marketplace.

Throughout the duration of the marketing period both letting agencies have undertaken numerous viewings of both properties, primarily with operators from the food and beverage sector and in line with our letting strategy.

The feedback from the views shared some common themes which can be summarised as:

- Only wanted Ground Floor space only
- Ground Floor too small and Mezz floor too large
- Too expensive to fit out 2 floors

Unit T1

Only one prospective tenant offered on the space in its current configuration. However, after two months in legal this deal was aborted with the operator feeling it was not viable in terms of design and cost to link the mezzanine space to the ground floor.

A number of initial offers were made on the ground floor only or with a ground floor and reduced Mezz floor area. We currently have one interested party for T1 based on a reduced Mezz floor plate.

Unit T5

Similarly, only one operator looked to progress with the ground floor and mezzanine space as per the current layout. They too withdrew once costs came back from their design team and decided to prioritise other single level opportunities.



We are currently in receipt of five offers to take the ground floor area only as per the revised scheme layout.

Summary

In the current market, with increasing costs, both retailers and food and beverage operators alike are adopting a much more cautious approach to acquisitions focusing on accommodation which is primarily ground floor with good visibility/prominence, and which requires minimal initial capital to fit out.

T5 in particular has a mezzanine floor that is significantly larger than the ground floor accommodation, which is a less desirable configuration in the marketplace. There are limitations on capacity to consider when designing at mezzanine level, and unless operators are looking to utilise them predominantly as back of house areas, it becomes prohibitively expensive to design & build.

The conversion rate from viewing to offers when marketing the units as ground floor only has been notably higher and we are confident we can let the units quickly, subject to the planning and landlords works in the proposed configurations.

