

## THE AIM MARKET

# Long and short of offices plan

By **Andrew Johnson**

A COMPANY hoping to become the easyJet or Travelodge of serviced office space is looking to join Aim.

Citibase aims to provide cheap and efficient services for small businesses wanting offices in convenient, town-centre locations but which do not want to commit themselves to long-term rental agreements.

The firm wants to raise £500,000 to cover the costs of the listing, a move expected to value the business at £5million. It will also sell shares to allow the company to pursue an aggressive acquisition strategy designed to take the number of locations in which it operates from 14 to 42 in the next three to four years.

The company made pre-tax profits of £640,000 on turnover of £10million last year.

Chief executive Steve Jude said: "We are following the same idea as budget hotels such as Travelodge, providing a cheap, efficient service for those who have to operate a business."

The company intended to fill the gap between property companies, which want to lease space for 10 or 15 years, and small businesses who want to rent for one or two years, he said.

Citibase rents from the property groups long term and sells the space on as short-term agreements lasting from three months to five years. It will also provide telecoms, IT, secretarial and receptionist services for customers who can select what they want from a menu of options.

Jude believes now is the right time to bring Citibase to market, despite fears the recession, combined with the banking crisis, will cut a swathe through Britain's small businesses. "We are heading for choppy waters,"



**Moema Pimentel runs her London shoe shop Ghetz from a Citibase site**

says Jude. "But many of the people made redundant will set up their own businesses and need space."

He believes it will also make acquisition opportunities easier — smaller operators will be keener to sell. "There is safety in numbers during a recession," he says. There are more than 600 such operators in the UK.

Citibase, established in 1993, has 14 locations across the UK, from Edinburgh down to London and Bristol. By creating clusters around those locations, Citibase can make full use of managers and maintenance staff.

The float is planned for December by introduction and the contact is FinnCap.

