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14 Red Lion Square – The Barbon Buildings

Introduction

MetSpace is a leading flexible office operator with over 100,000 sqft of office space in Central London. MetSpace has been managing The Barbon Buildings (14-17 Red Lion Square) for the past two years.

Office Market Overview

Following the pandemic, many companies adopted a hybrid or “work from home” policy. Companies have since been looking to attract staff back into the workplace. In order to do this, occupiers are generally seeking Grade A office space that offers top facilities.

This was the subject of MetSpace’s recent article in Property Wire¹. The article referred to the emergence of a ‘two tier office market’, with a clear distinction between prime, high-quality office spaces and the rest of the market. Savills reported that 81% of new leases in 2024 have been accounted to either Prime or Grade A (the two highest tiers of office quality) ranked properties.

¹ <https://www.propertywire.com/analysis/a-tiered-office-market-is-changing-london/>

There is a clear trend across the sector whereby prospective tenants are seeking top-quality modern workspaces, with high-quality amenities and facilities. Email correspondence from industry professionals at Hive and Colliers is attached to the end of this report, which confirms this trend.

Marketing and Occupancy of The Barbon Buildings

MetSpace has been actively marketing The Barbon Buildings since taking over management two years ago, aiming to attract new tenants to raise occupancy rates. MetSpace issue the weekly availability of office space to a broker and agent contact list consisting over 1000 contacts.

The spaces are directly marketed on all flexible office agency platforms. Some of the larger platforms include [Instant Offices](#), [Office Freedom](#), [Hubble](#) and [Office Hub](#). The Barbon Buildings are also listed on Valve (the main flexible office distribution and availability platform). Valve provides access to all agents and brokers operating within the London market.

Despite continued marketing efforts, The Barbon Buildings have operated at roughly 65-75% occupancy throughout the time MetSpace has managed the properties.

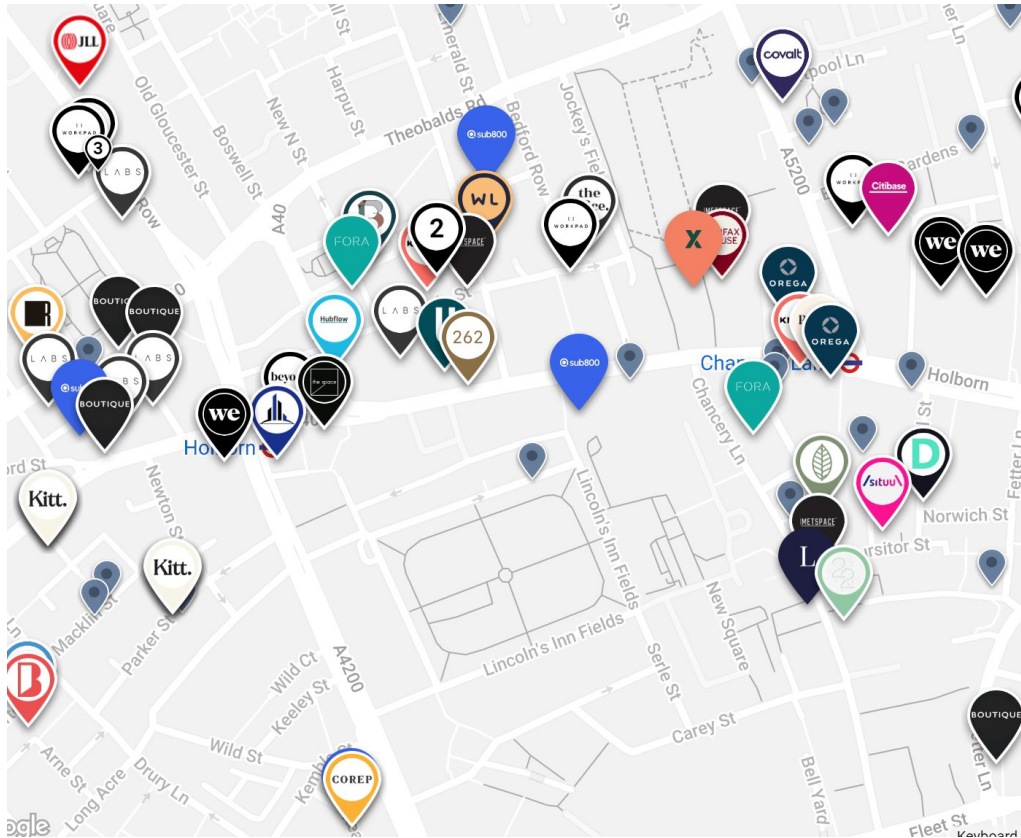
Feedback from unsuccessful viewings as to why The Barbon Buildings were not selected largely related to the lack of amenities, lift and inclusive access. Prospective occupants have also cited these reasons for choosing not to view the office space.

Other Competition

There are numerous new office buildings within the immediate vicinity of Red Lion Square and in the wider Holborn area. Within a few minutes' walk, other office facilities include IWG, TOG, WeWork, LABS, Work.Life and Uncommon.

The map below provides a snapshot of the other available flexible office space in the immediate area surrounding The Barbon Buildings, as advertised on Valve. Each icon represents a different flexible office operator. There are currently 53 operators, with some of these buildings providing over 75,000 sq ft each.

The total quantum of flexible space in Midtown is circa 2,700,000 sq ft. This is across 1,963 offices in 274 buildings.



Source: Valve

Agents Society is a leading subscription-based property database for available units in London. Agents Society currently shows 1.9 million sq ft available to lease (traditional lease rather than flexible office space) in Midtown. There are 116 buildings on the market, which could have multiple floors available.

Summary

Despite continued marketing efforts across a range of different platforms, MetSpace is unable to achieve full occupancy of The Barbon Buildings, with occupancy rates generally at around 65 - 75%.

Changes in the office market post-COVID have left occupants seeking Grade-A office space that will attract staff back to the workplace. Townhouse-style office buildings are not able to offer the modern workspaces that occupants require, whilst the Holborn office market has become increasingly oversaturated.

As a result of these factors, MetSpace is unable to achieve full occupancy of The Barbon Buildings. The consolidation of the existing four office buildings into three would enable the remaining office

space to operate at close to full capacity and provide MetSpace the ability to cope with any churn in occupants. This would help to secure the long-term security of The Barbon Buildings.

Email from Midtown expert at Hive

From: jack cannon <jack@hive-re.co.uk>

Sent: 24 September 2024 11:52

To: kieran.christie@metSPACE.co.uk

Subject: Holborn Market

Hi Kieran,

As discussed, the Holborn market has had a number of new players enter the area over the last 2 years and as such has become quite saturated. We've noticed that it is the better quality/ newer buildings that attract the most clients, whilst some of the older buildings are now experiencing voids and struggling to compete.

Thanks

Jack Cannon

Director

07554 744 371

www.hive-re.co.uk



Email from Colliers

From: Ross, Toby <Toby.Ross@colliers.com>

Sent: 25 September 2024 11:26

To: Kieran <kieran.christie@metSPACE.CO.UK>

Subject: Holborn Market

Hi Kieran

The Holborn market is currently facing a period of oversaturation, with a significant amount of vacant office space. This high level of availability means that competition among landlords is strong, and many properties are remaining unoccupied for longer periods.

For office spaces that are securing tenants, we're seeing a clear preference for Grade A specifications. Tenants are prioritizing high-quality buildings that offer modern amenities.

Hope this helps.

Toby Ross

Associate Director

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