

To whom it may concern,

Re. Updated Marketing Report: 62 Warren Street, London W1

1. Introduction

Edward Charles & Partners (EC&P) are a Central London Office Leasing specialist, with over 40+ years of dedicated experience. EC&P deals solely in commercial premises, working on behalf of Landlords & Tenants in acquisitions, disposals, leasing, sales, and Landlord & Tenant/lease consultancy matters.

2. Market Conditions

Office occupational demand for secondary office space has been subdued and in light of macroeconomic & socio-political events is having a negative effect on take up. The central London office market has been polarised by a flight to quality, with many second-hand buildings falling into a category with no depth of tenant demand.

Occupiers reevaluating their spatial needs and undertaking hybrid working practices, increasingly have shown a desire to retain and improve their working environments. In a bid to encourage their workforce back to the office on a more regular basis. There is greater need for Landlord's to over specify space and provide it as fully fitted to capture live demand. Making office refurbishments in light of construction inflation extremely difficult to make work.

It's our professional view that with the rise of hybrid working, those buildings not able to provide best in class workspace, specification, ESG and wider building amenities will need considerable re-investment to meet occupiers needs. Without investment in future proofing assets, these buildings will also likely fall behind the UK's goals of achieving a 20% reduction in emissions by 2030 and providing buildings with a minimum EPC of B in line with the Minimum Energy Efficiency Standard (MEES).

3. Submarket Review

The Fitzrovia submarket has seen continued take-up and rental growth compared to neighbouring markets for Grade A and above space.

The attraction to office occupiers to this location, can partly be attributed to the opening of Crossrail's Elizabeth Line. Furthermore, the diverse amenity offering from, F&B, leisure and entertainment venues continues to be a big attraction to the current influx of occupiers.

There has been steady take-up from globally recognised office occupiers, including Associated British Foods, Octopus Energy, VCCP, Gleeds, IWOKA amongst other businesses.

Take-Up has been sustained for best-in-class office stock and other options that cannot provide this are witnessing prolonged voids and are unlikely to achieve lettings.

4. Building Analysis

It is our professional opinion that the opportunity to provide workspace in the building of suitable quality to suite demand is extremely unlikely. The lack of natural light, outlook/aspect achievable from the space, it's low floor to ceiling height, structural space configuration, lack of opportunity to provide office tenant amenities (showers, lockers & cycle facilities) and lack of street presence. All negatively work against the chance of attracting an office occupier to the space. It is therefore our opinion that the space configuration and location would be better suited to alternative uses.

5. Marketing Timeline

EC&P were instructed by GMS Estates to provide marketing and leasing advice in November 2020 to the present date. Whereby we actioned the following marketing initiatives:

- In house particulars
- Photography
- Online web listing
- Erected a To Let board on the railing outside of the property
- Marketed the space on the following 3rd party property platforms; Rightmove, Zoopla, Co-Star, Realla, EACH and Valve Space
- Listed the space on Agents Society, a B2B platform with over 2,000 dedicated Central London specialist agents

It is our opinion the marketing campaign has been extensive up to the present date, and the relative costs of the marketing initiatives undertaken has been commensurate with a suitable campaign for a building of this size, scale, and commercial offering.

6. Interest Summary

For the period from November 2020 - November 2023

- We have had only 15 enquiries
- Out of the 15 enquiries only 2 viewings took place
- Both parties were of the same sector, being Tailors and not true office users
- The interest soon fell away due to the shortcomings of the property and micro-location being nor preferential for office users
- No negotiations were garnered over this period

For the period from November 2023- October 2024

- We have garnered a further 5 enquiries
- Taking the total enquiries to date to 25 unique parties
- That is less than 5 viewings a year
- Usually we would expect at very least 1 viewing per work for a subject property
- No further inspection requests were obtained

This reaffirms our views expressed under building analysis, that the space is not suitable for office use and would likely remain vacant indefinitely.

7. Conclusion

Over our 44+ year history within the Central London Market, with millions of sq ft transacted across the capital and a considerable focus of lettings within the immediate location and wider submarket. We are experiencing very little demand for lower ground floor workspaces. The lack of demand is likely to persist and worsen due to forecasted economic pressures associated with a market recession.

Having conducted an extensive marketing campaign which resulted in no considered enquiries, only two inspections and no negotiations. EC&P are confident the space has been fully exposed to the market for a prolonged void period, well above acceptable market norms.

We hope this letter is helpful and would be happy to discuss this further, should any questions arise.

Yours sincerely,

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Edward Charles & Partners LLP