

To Whom it May Concern

28 February 2022

Dear Sir/Madam,

**RE: 22 Great St James Street, London WC1**

Matthews & Goodman is a central London based commercial property advisory firm with an active office agency team involved in the leasing and acquisition of offices. We have provided various advice in connection with 22 Great James Street over at least 15 years and are familiar with the building.

In terms of the market, demand for office space has fallen since the pandemic began and this is reflected in the Bloomsbury sub-market. The vacancy rate stood at below 2% in March 2020 and this has risen steadily since and now stands at 5.8%, due to a lack of demand for office space in the area and an increase in tenants seeking to sub-lease space. There is still a large amount of uncertainty in the office market with potential tenants increasingly wanting more flexibility and this is reflected in shorter leases and larger void periods.

22 Great James Street is an unmodernised, listed building which does not satisfy the demands of a modern occupant. Companies are increasingly looking for Grade A new build/refurbished office space that is delivered turn-key (fully fitted). This is due to an amalgamation of reasons, but primarily because companies are looking to attract staff to return to the office by providing them with high specification amenities. These include fitted break out space, fibre connectivity, raised floors, VRV air conditioning systems and high-quality end of journey facilities, none of which are provided at 22 Great James Street. The new office developments in Kings Cross will only reinforce occupants' demand and expectation for high specification office space in the surrounding area.

Within the building the rooms are small and fragmented over five floors which does not satisfy the requirements of a modern-day company looking to encourage collaboration and socialising between their staff.

Occupier demand is also now highly driven by Environment, Social and Governance principles. This helps companies retain and attract the top talent in their sector whilst also appeasing shareholders. Companies are increasingly looking at the sustainability performances of a building and an office space's ability to encourage collaboration. 22 Great James Street is an old, listed building so is most likely to be low performing in relation to sustainability. The property is currently owner occupied so not possess an EPC, however we would expect it would achieve a low grade. Also, as minimum energy efficiency standards become increasingly more stringent, the building will most likely have to be refurbished to satisfy the government's sustainability regulations for commercially let properties.

As already seen at 15 Great James Street, Edward Charles and Partners marketed the building as office space for two and a half year with no success. This was despite an extensive marketing programme and the office being offered on a turnkey basis (fully fitted). We are of the opinion that this unsuccessful process will be repeated at 22 Great James Street, if it was to be marketed either as Freehold or Leasehold office space.

Please do not hesitate to contact the writer if further information is required.

Yours faithfully,



**RICHARD BEAUMONT** MRICS

For and on behalf of

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