

Farebrother Office Marketing Report

11 Doughty Street, London WC1N 2PL March 2025

Farebrother has been asked to prepare a marketing evidence report in support of a planning application to change the use of 11 Doughty Street, London WC1N 2PL from an office building under Class E to a single family dwelling under Class C3 of the Town and Country Planning (Use Classes) Order 2020.

About Farebrother

We are a general practice firm of Chartered Surveyors, operating from our office on Bedford Row. Farebrother are a partnership, established in 1799; we have always been based in the same area of Central London, specialising in commercial property, predominantly offices, within Midtown.

We are recognised as the leading niche practice in the area, through our market performance, regularly topping industry league tables on number of instructions and space let. This is worthy of highlighting, as the sheer number and diversity of properties we deal successfully with, gives us an unparalleled viewpoint on the office stock in the Midtown market.

Our main specialisms are: -

- Leasing offices and retail;
- Development and refurbishment advice;
- Investment;
- Lease advisory rent reviews, valuation, business rates;
- Occupier consultancy acquisition, workplace strategy; and
- Property Research

It is worth noting that we advise a wide range of occupiers from solicitors, barristers, accountants, and patent agents, through to charities, corporates, media and marketing companies. Our advice is not limited to acquiring offices or handling rent reviews, we also put in place full workplace strategies, considering the quality of buildings, the style of workplace they provide and increasingly, their environmental credentials.

Our research is acknowledged as market leading and we publish research on a quarterly basis, reporting on office take up, supply, future stock and investment performance across WC1, WC2, EC1 and EC4.

We work right across WC1 and the Camden area in general, it is an area we know intimately and advise across a range of WC1 buildings and our current disposal instructions extend to 28 buildings in WC1 alone, totalling over 300,000 sq ft.

11 Doughty Street – Description and Condition

Doughty Street is located in the Bloomsbury district of Central London and runs in a north – south direction and sits within the Bloomsbury Conservation area.

It is one of the most historic period streets in Central London, with fantastic examples of Georgian architecture with many buildings being Grade II listed. Uses within the street include offices, educational, residential dwellings and community uses such as The Dickens Museum.

Transport connections are approximately 12 minutes walk to King's Cross and St Pancras stations, 10 minutes' walk to Chancery Lane station and 7 minutes' walk to Russell Square station.

The Building

The building is Grade II listed and located on the western side of Doughty Street in a mid-terrace position. It is arranged over five floors with basement, ground and three upper floors and totals 3,126 sq ft. The property has been used for a variety of purposes over its life and most recently as offices.

The upper floor plates are small, all being less than 500 sq ft, and the actual layout of the floors is not conducive to collaborative modern working practices as the floors are split into various smaller rooms which is contrary to modern open plan working practices. There is also no lift within the building.

Internally the accommodation is tired and its current condition and specification are not appealing to modern office occupiers who now demand more aesthetically pleasing contemporary fit out and design.

The property has a gas fired central heating system covering all areas and is naturally ventilated with period sash windows save for a couple of wall mounted comfort cooling units.

All light fittings are historic fittings that are neither attractive nor energy efficient.

In conclusion, 11 Doughty Street would require a complete and very extensive refurbishment in order to potentially be attractive to an office occupier in today's market.

Modern Workplaces

Office building stock varies massively across Central London, but Midtown is particularly diverse. There is however a base level of specification that office occupiers now expect and is set out below: -

- Fresh air supply
- Heating & cooling
- Robust, high-quality power
- Modern LED lighting
- Comms and data wiring capacity
- Sufficient WC provision
- Kitchen facilities
- Lift
- Statutory Equality Act compliance
- Sustainability accreditation

The office market has changed significantly over the past ten years, particularly in the last five years, post Covid, regarding the quality of office space demanded by occupiers. Whereas in previous strong leasing markets, relatively compromised office space would find an occupier just through sheer lack of supply, now an occupier's aspirations for a high-quality workplace to both attract and retain staff is paramount.

The level of investment necessary from a landlord to provide modern specification offices has therefore increased, as occupiers also demand greater levels of amenity, including the following: -

- Outside space such as roof terraces;
- Cycle storage; and
- Best in class showers and changing facilities.



In its current layout and condition, the subject property lacks the modern amenities and infrastructure required in today's office market.

Building Constraints

As currently laid out and with the existing specification, there are several key areas that we highlight as significant constraints to the marketability of the buildings as offices. Most of the weaknesses are inherent with the design, or more specifically the age of the building. Georgian townhouses of this nature were not built to be offices; but the unsuitability of the residential floorplates is even more pronounced now for a modern workplace.

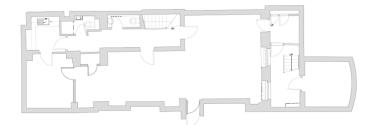
Accommodation

The property's approximate net internal floor areas are set out in the table below:

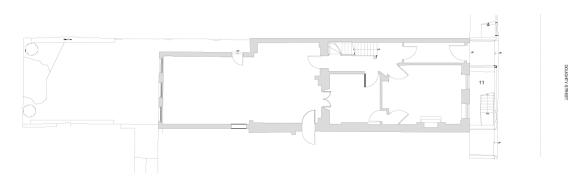
Floor	Area (Sq Ft)
3 rd	481
2 nd	457
1 st	494
Ground	1,033
Basement	661
Total	3,126

The floor plans are set out below:

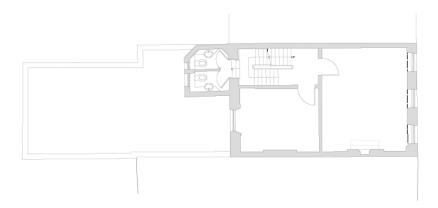
Basement plan



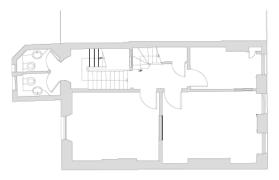
Ground floor plan showing rear outside space



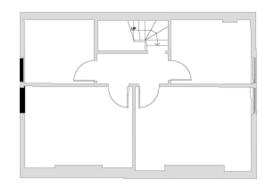
1st floor plan



2nd floor plan



3rd floor plan



Accessibility and Disability Discrimination

There is often a wholly inappropriate approach to marketing those buildings where there is a lack of any means to access the space and move around for a disabled person. A building's age and/or listed status will be cited, as being the reason why no structural interventions have been possible. On a simple level it would be challenging to secure listed building consent for such major and intrusive interventions.

This creates an additional barrier to potential occupiers; many businesses or organisations will be precluded from even considering buildings with no Equality Act appropriate access.

The subject building with no lift, level access or ground floor toilets is completely inadequate in terms of Equality Act provision.

Outdated Services

The building has a basic, domestic type central heating system and randomly distributed power and phone/IT sockets – that is the extent of services across the building.

All the constraints listed above are because of the nature of the building in terms of age and design. There are plenty of examples of period offices in the market, all with the same challenges of physical layout but with modern cable distribution, either running alongside floor joists or in sympathetic perimeter trunking above or integrated with skirting.

It is possible to bring in fresh air supplies and provide cooling; there are many examples of refurbished period buildings where such work has been undertaken but this comes with massive planning risk and limitations due to listing plus such work comes at considerable cost.

The building cannot be let with the existing specification. All existing services must be stripped out and replaced with a full new installation. The required capital expenditure to upgrade is significant and will impact financial viability.

Potential Building Improvements

We have highlighted most of the necessary improvements above, in listing out the building's constraints.

The building must be fully redecorated and recarpeted. The lighting throughout must be replaced with modern fittings providing health and safety standard lighting. All WCs and the limited kitchen facilities need to be stripped out and replaced with high quality new fittings. All this work does not fundamentally improve the space or produce any enhanced rental prospects; that work would just bring the buildings up to a modern standard. The majority of tenants demand air conditioning/comfort cooling as well and this comes at a very high financial cost and is not straightforward to deliver in period buildings.

In light of the above requirements demanded by occupiers and the associated costs highlighted in the costs plan report provided by Metric in February, in relation to an upgraded specification, in summary from a developers perspective, this makes the upgraded office scheme economically unviable.

Market Sentiment

In the current office leasing market occupiers are not prepared to compromise on the quality of their workplace if they are considering a move. There has been a growing trend to "flight to quality" over the last few years with landlords increasingly focused on delivering the highest quality specification because that was where the most active demand was, translating in to increased headline rents. This is evidenced by take up in 2024 being focused on the high-quality, well specified buildings.

Fully fitted space is now an established part of the market. Landlords are providing kitchens, meeting rooms, furniture etc, all to encourage take up in buildings that may not be new or fully refurbished. The occupier gets a brand new, ready to occupy workplace, for little or no capital expenditure. This

was a growing factor in the market, pre Covid, as landlords sought to make relatively average space stand out, particularly when faced with the exponential growth of serviced/coworking space.

Possibly the most significant factor in the market however is building amenity; what other facilities does a building offer, other than a high-quality office environment. Those buildings without high quality cycle facilities, showers and changing rooms will just not be considered by many occupiers. Larger buildings are giving over net lettable space to meeting areas, collaboration space, providing additional amenity to attract occupiers and to compete with service office providers. Office buildings, which cannot provide this, such as 11 Doughty Street, are getting left behind, potentially on a permanent basis.

Midtown/WC1 Research

Farebrother undertake research on the London Midtown Office Market that is published every quarter measuring the total level of take up and the levels of availability. Our research is well respected and is relied on by large numbers of investors, owners and occupiers of property within Midtown. The latest research was compiled at the end of the fourth quarter 2024 and the figures used here are as at that date.

For our formal, published research, we group together WC1 with WC2 and the western portions of EC1 and EC4, to form our "Midtown" market area; these combined postcodes total approximately 45 million sq ft of office accommodation.

We monitor four main grades of office stock: -

- New.
- Refurbished (substantial works, new M&E, additional floors etc).
- Second-hand Grade A (Landlord or Tenant space which has had a basic internal refurbishment).
- Second-hand Grade B (poor quality space with outdated internal specification).

11 Doughty Street falls into Second-hand Grade B, being poor quality office space.

As at the end of Q4 2024, the current Midtown Office availability rate is 6.1%, totalling 2.749 million sq ft.

We have seen a consistent level of space offering an element of fit out with approximately half (1.35 million sq ft) of total availability now offering "plug and play"/Cat A+ fitted accommodation. This is reflective of a growing trend for occupiers seeking fitted space with the clear benefit of reduced capital expenditure. Simply put, this portion of the market comprises either Landlords looking to market their space in the most attractive way to an occupier and the increase of tenant fitted space coming back to the market.

The second-hand Grade B market has seen a marked reduction in the quantum of available space over the last few years, making up just 3% of total availability as landlords understand that they need to refurbish their space to get it income producing.

There is still a choice for occupiers and with over 1.35 million sq ft of refurbished space available, it is now a competitive area of the market, and it is the best quality space within this sector that will secure take-up. Whilst difficult to put a number on it, a significant portion of the poor-quality second-hand space is effectively unlettable.



The data below, is extracted from our last formal reported research from Q4 2024. Looking first at the future development pipeline in Midtown and WC1, the postcode within which 11 Doughty Street is located.

Midtown Development

- Total under construction = 3,640,000 sq ft.
- 58% of this pipeline, totalling 2,100,000 sq ft is already let.
- This means that there is only c. 1,540,000 sq ft currently under construction that is available to let.

WC1 Development

- There are 9 buildings underway in the whole of WC1 totalling 671,118 sq ft, of which 237,291 sq ft remains available to let.
- 8 buildings are due to complete in 2025:
- There are 5 buildings underway with space remaining available and these are;
 - 5 Bedford Row (28,710 sq ft) a major refurbishment interlinking three Georgianstyle townhouses completing in Q1 2025
 - Tavistock House (16,900 sq ft) an internal refurbishment of two floors completing in Q1 2025
 - 21 Southampton Row (26,791 sq ft), part of the Bloomsbury Quarter a major refurbishment completing in Q2 2025
 - 31 Southampton Row (24,000 sq ft), part of the Bloomsbury Quarter a major refurbishment completing in Q2 2025
 - 200 Gray's Inn Road (140,890 sq ft) a major refurbishment with new terraces, café and business lounge completing in Q3 2025

These landlords/investors are committing to deliver high quality office space demanded in today's market.

Midtown Availability

- There is 2,749,000 sq ft of available space in Midtown, standing at 6.1%.
- This is a 3% decrease year on year and is the 3rd consecutive year it has declined demonstrating a resilient Midtown leasing market.
- 1% of available space is new, 49% is refurbished, 47% Second-hand Grade A and only 3% is Second-hand Grade B.

WC1 Availability

- Current overall level stands at 541,601 sq ft.
- There is no new space, 18% is refurbished, 76% is Second-hand Grade A and 6% is Grade B.
- 58% of the number of units available in WC1 are 5,000 sq ft or less.
- 31% of the number of units available in WC1 are 3,000 sq ft or less.

This clearly indicates that there are plenty of small poorer quality space office units available within WC1 which is the part of the market 11 Doughty Street sits.

WC1 Take Up

• The average transaction size (over the last five years) is 7,841 sq ft.

- In the past five years there have only been 16 transactions where the occupier has taken the whole building, the average size of the building in those transactions is 42,210 sq ft (this is influenced by three large deals MSD Merck & co taking 260,000 sq ft at The London Discovery Centre, GSK taking The Earnshaw (155,000 sq ft) and CAA taking 21 Bloomsbury Street (80,482 sq ft)
- There have only been five transactions for an entire building under 5,000 sq ft over the last five years.

The number of period properties that come to be let in the open market is very small and the ones that do, tend to be the ones that have been substantially refurbished in the last few years. The more complicated the layout of period buildings, reduces further the potential occupiers for this space.

In our experience, these properties, once refurbished at considerable cost, also take a considerable time to let after a long void period and often mean that the buildings are not income producing for over 3 years.

Small scale, self-contained offices are just not letting. It is also the case that very little supply of such buildings has come onto the market in recent years but that is because tenant demand has reduced massively for self-contained, small, multiple floor buildings, particularly if the base specification of those buildings is poor/average.

Potential Occupier Base – 11 Doughty Street

One positive factor for the Midtown and WC1 leasing market is the diversity of demand, in terms of the type of occupier base that the area attracts.

Midtown, and particularly WC1, has a strong base of occupiers from what we describe as the DAMIT sector: -

- Design
- Advertising, Marketing & PR
- Media
- Internet
- Technology

This broadly "creative" grouping of occupiers may embrace quirks in a building, but they generally default to light filled, high ceiling buildings with relatively large floor plates encouraging collaboration across the business.

Traditionally, buildings like 11 Doughty Street, would have been occupied by solicitors, patent agents, possibly accountants and definitely barristers. That broad sector of consultant/professional would have happily utilised the cellular nature and multiple floors, their workplaces being dominated by private offices. Except for barristers, much of the consultant world has now moved to a more open plan office environment, seeing cost savings in more efficient use of space and seeking much greater communication between individuals and across teams, looking to be on one floor instead of whole buildings.

To back up our view, feedback from the current occupier, a barrister's chambers, as to why they are vacating the premises is very telling, namely because the small individual rooms do not work for modern office work with people spread out across various floors and unable to communicate directly. Another serious limitation is the lack of disabled access. The occupier applied for drop frontages to allow better access but the view at the time was that even if these were installed a

wheelchair user would be very severely restricted once inside the building, and this could not be improved upon internally, so the application was refused. In addition, the poor quality lighting, heating system and electrics, as well as inadequate sanitary provision for multiple users and the high cost of maintaining the premises due to its Grade II listing has meant that they have decided to relocate to more modern premises.

Translating this market evidence into the letting prospects for this property as an office does not make for positive reading. The building's size and specification put it in the weakest sectors of market performance, and we see this only getting more pronounced.

Marketing

Marketing instruction

Farebrother was instructed to market 11 Doughty Street as available to let in September 2024. Following an inspection of the property to assess the condition of the building, and a thorough review of recent letting transactions in the area, it was our recommendation to offer the property to market quoting £39.50 per sq ft which was the market rent at the time.

The property was advertised to let as office space under Class E of the Town & Country Planning Act 1990.

Marketing campaign

A thorough marketing campaign was undertaken shortly following our instruction, which included:

- A bespoke set of marketing details highlighting the property's key selling points (Appendix 1)
- Online marketing the property was listed to let on the Farebrother website and third-party websites including Rightmove, CoStar and LoopNet (Appendix 2)
- The availability was circulated to over 1,500 Central London office agents on Agent's Society website which is used for all agent led London office leasing requirements.

Interest

Following the above marketing activities and campaign to date, we have responded to a total of 12 enquiries including one from our Rightmove marketing, however this has resulted in no inspections to date. The general feedback from agents was that the property fell short of the standard that their clients were looking for, with parties citing the specification, lack of amenity and small floor plates as a reason to discount the property and focus elsewhere. A summary of the interest can be found at Appendix 3.

Conclusion

The future letting prospects of 11 Doughty Street are extremely low as the building is no longer fit for purpose. Farebrother have been marketing the subject property extensively without any success and we cannot see this changing.

The evolving trends in the marketplace and modern work practices do not align with the layout or features of this building. The building's current specifications place it in a lower-performing category compared to available options in the market and its small floor plates and listed status make improving the space difficult.

Significant capital investment would be required to bring the building up to a suitable standard and even then does not guarantee its leasing success as the building will still be compromised owing to the evolution of modern office occupier's requirements.

Appendix 1: Letting Particulars



DESCRIPTION

Attractive Self-Contained Period Building Available To Let

Over 3.100 sq ft of office space available to let in a beautiful period self-contained building on Doughty Street.

11 Doughty Street is configured over basement, ground and 3 upper floors.

The Grade II listed building is available to let as a whole.







11 Doughty Street, London, WCLN 2PL

Farebrother

ACCOMMODATION

FLOOR	AREA (SD FT)	AVAILABILITY	DESH SUITABLITY NO
3rd Floor	-460	Assiable	4-7
2nd Roor	457	Anilable	4-7
Let Fieldr	494	Assiable	4 - 7
Ground	1,033	Aniabe	9 - 15
Basement	663	Assiable	6 - 10
Total	3,126		

AMENITIES

Attractive self-contained building	Private row outside space	
Grade II Littled	Amanged over LG - 3rd floors	
Escellent natural light	Central beating	
Openable sash windows	W/Ck	





11 Deceptry Street, London, WCIN 2PL

FURTHER INFORMATION

Rent £39.50 per square foot

Service Charge

Rates

E20.00 per square foot

Matthew Causer Farebrother

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Harvey Wildowson Farebrother 07732 649308

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LOCATION

Doughty Street is a beautiful tree lined street positioned to the north of Theobalds Road and south-east of Coram's Fields. II Doughty Street is located on the week side of the street and is within the Bloomsbury Conservation Area.

The building benefits from excellent transport links. A short walk away from the building are Russell Square, Farringdon, Holborn and Ohancery Lane stations.

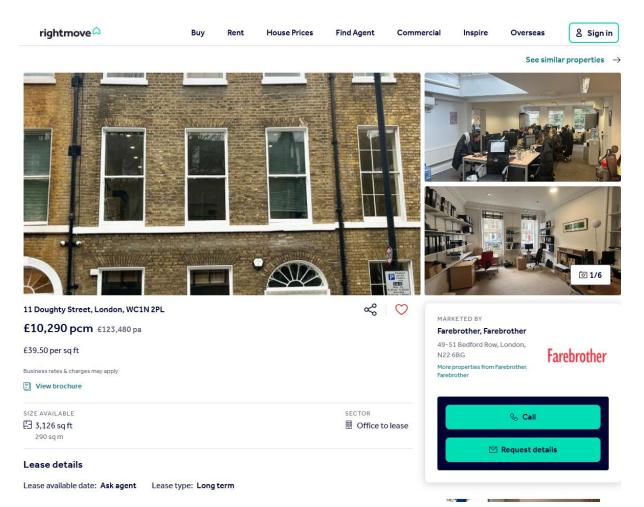
There is plenty of amenity close by for office occupiers including Lamb's Conduit Street, which is one of London's most thriving streets where there is an array of amazing independent shops, pubs and restaurants.

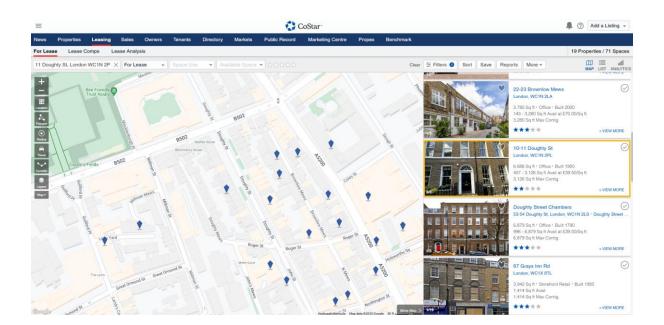


Farebrother

EXPENSIVED TRUSTED REAL ESTATE ADVISORS

Appendix 2: Third Party Websites









KEY FEATURES TYPE:

LEASE TERMS: TENURE:

 RENT:
 £39.50 pc

 RATES:
 £20.00 pc

 SERVICE CHARGE:
 N/A

Office

Leasehold

E39.50 per square foot E20.00 per square foot

New lease available direct from the Landlord

DIMENSIONS

FLOOR	AREA (SQ FT)	AVAILABILITY	DESK SUITABILITY NO	
3rd Floor	481	Available	4.7	
2nd Floor	457 Available		4.7	
Ist Floor	494 Available		4.7	
Ground	1,033	Available	9-15	
Basement	661	Available	6 10	
Total	3,126			

Appendix 3: Interest Schedule

Enquiries

Interest Schedule

Date of Requirement	Tenant / Sector	Agent	Matched Space	Summary	Latest match comment
7 th January 2025	Unknown	Michael Blair Michael Blair and Company	All Available	Size: 2,000-3,400 sq ft Occupancy: Q2 2025 Budget: £50-70 per sq ft	Undisclosed tenant looking for smart modern offices which are partially or fully fitted out. Search area is centered around the West End. Spoke with the agent and we have been discounted based on the buildings specification and configuration.
6 th January 2025	Unknown Creative & Media	Rahcel Stead Making Moves	All Available	Size: 3,000 – 4,800 sq ft Occupancy: Q3 2025 Budget N/A	Creative & Media company looking for offices with good natural light, bike storage and showers. Agent thinks the building will not work, as they ideally want to be over a single floor but we have not been formally discounted.
11 December 2024	Unknown Charities & Associations	Callum Lee Making Moves	All Available	Size: 2,500 – 3,500 sq ft Occupancy: Q3 2025 Budget N/A	Charity looking for c. 3,000 sq ft of space in Holborn, Clerkenwell, Farringdon and Bloomsbury. They require 30 desks and 2+ meeting rooms. We are currently on a long list and this is being reviewed in February.
8 th December 2024	Unknown Professional	Jack Knivett Devono	All Available	Size: 3,000 – 3,500 sq ft Occupancy: Q2 2025 Budget N/A	Professional occupier looking for fully fitted space in close proximity to Holborn. Was initially reported to the client but the feedback was that they would prefer to be in a modern office building.
5 th December 2024	Unknown	Adam Myeroff Stuart Neils	All Available	Size: 1,400 – 3,000 sq ft Occupancy: Q2 2025 Budget N/A	Undisclosed company looking for fitted space (ideally over a single floor) in Holborn and the surrounding area. They require secure bike storage. Target occupancy is Q2 2025. This requirement is for overflow space for a

professional company, who ideally want to be over a single floor and so have discounted Doughty Street.

Undisclosed client looking for c. 3,500 sq ft in Euston, Kings Cross, South Islington and nearby surrounds. Open to taking a long lease for the right space. Happy to go over multiple floors. Target occupancy is end of Q2, agent thinks that his client might want something more modern.

Professional company looking for c. 2,500 sq ft of fitted space in Kensington & Chelsea, Paddington, Knightsbridge, Fitzrovia, Bloomsbury, Marylebone, W2, W8. Search is still ongoing but is very slow.

Discounted Enquiries

2nd December

8th November

2024

2024

Unknown

Professional

Unknown

Professional

Connor

Cummings

Cummings

Andrew

Knights

Lorenz Consultancy

Commercial

All Available

Budget: N/A

All Available Budget: N/A

Date of Requirement	Tenant / Sector	Agent	Matched Space	Summary	Latest match comment
27 th November 2024	Unknown Creative & Media	George Marment Making Moves	All Available	Size: c. 3,250 – 3,750 sq ft Occupancy: Q1 2025 Budget: N/A	Creative & Media company looking for 3,250 - 3,750 sq ft of fitted office space in Soho, Covent Garden, Charing Cross, SE1 and Noho. Move date of Q2 2025. Now only considering single floor options.
15 th November 2024	Unknown Technology	Leo Serigou Kontor	All Available	Size: c. 2,500 – 4,500 sq ft Occupancy: March2025 Budget: N/A	Tech company require 2/3 Meeting rooms and 50 desks. Location wise they are considering Soho, Fitzrovia, Victoria, Green Park possibly Holborn. Have now agreed terms on a more modern building.

Size: 3,000 - 3,500 sq ft | Occupancy: Q2 2025 |

Size: 1,800 - 3,000 sq ft | Occupancy: Q3 2025 |

5 th November 2024	MEDii Health Medical	Direct	All Available	Size: c. 1,000 sq ft Occupancy: December Q1 2025 Budget: N/A	Medical clinic looking for around 1,000 sq ft and enquired if they could take part of the building. Confirmed the building is being marketed as a whole building only.
22 nd October 2024	Unknown Medical	Joe Healy LDG	All Available	Size: 2,000 – 4,500 sq ft Occupancy: December Q1 2025 Budget: £40 - £70 per sq ft	Medical user seeking a self-contained building with a budget of £350,000 p.a. Feedback from agent is that they want something with a more modern specification.
14th October 2024	Unknown Property Company	Chapel Davies Alexander Rivkin	All Available	Size: 2,300 - 2,700 sq ft Occupancy: December 2024 Budget: £60 - £85 per sq ft Looking for 2,300 To 2,700 sq ft of Office in West End Market	11 Doughty Street has been reported to the client. Feedback from agent is that they are now concentrating on single floor options.