

Karen Hawes
Hawes Price Ltd
Kenilworth House
79/80 Margaret Street
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Our ref: RHW/mh

10 September 2015

Dear Karen,

MUSEUM HOUSE, MUSEUM STREET, LONDON WC1

I refer to our recent telephone conversation regarding the above and as discussed, have pleasure in providing you with my views regarding the letting prospects of the office elements that are currently or about to become vacant.

I regret to say that it is very difficult to be positive about this for the following reasons:

Inflexibility of the office space: There has been a marked change in the way many companies work in recent years with occupiers increasingly favouring predominantly if not exclusively open plan offices. The offices here present a series of rooms of various sizes that offer no flexibility and are in direct conflict with the needs of most potential occupiers.

Poor specification: Occupiers are more demanding than ever nowadays with many only considering space that provides most if not all of the following amenities:

- Air conditioning
- Raised floors
- Double glazing
- LED lighting
- Bicycle storage
- Showers
- Outside space e.g. terraces

None of these are available here which will mean that many companies actively in the market will not even undertake to inspect the property.

Lack of DDA compliance: There are a number of areas where the building does not meet the requirements of the Disability Discrimination Act particularly:

- Step at the front entrance
- Lift access at half landing level from the street and only serving up to the Third floor
- Lift car size insufficient to accommodate a wheelchair

I cannot see how these issues can be overcome and this will rule the property out for a significant number of occupiers

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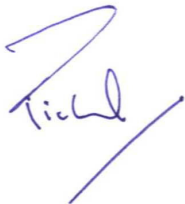
Residential units sharing the office entrance and access: I have found on a number of occasions over the years that many office occupiers simply will not accept sharing an entrance and common parts with residential users. This is due to concerns over security and the expectation that the quality of these areas will suffer.

Competition: Much has been made recently of the perceived low supply of office space in Central London, but this applies far more to larger occupiers than the smaller sector that concerns us here. I have attached a schedule drawn from a single database where the criteria was to include available suites of 500 – 2,000 sq ft within a few minutes walking distance of Museum House. As you can see, there are 29 buildings included here but if you take into account that there are multiple entries for some buildings and many are offering more than one suite, the actual number of units is well over 50. This is without taking into account serviced offices which are continuing to spread rapidly and are a very attractive alternative to smaller companies that do not want to be constrained by traditional leases.

I am sorry to sound so negative, but I feel it is best to alert you at the outset that I would not expect letting this space to be either quick or easy. In fact, I would go as far to say that the prospect of achieving worthwhile lettings is extremely remote and that carrying out a formal marketing exercise is likely to be a fruitless (and costly) exercise.

If you would like to discuss the matter further, please let me know

Yours sincerely



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Enclosures