



Report on 7 John Street London WC1

**On behalf of
KMP Group**

20th July 2020

Introduction

I have been asked to provide a report on the viability of the lower part of 7 John Street being used for office purposes, as part of a proposed application for a change of use of that part of the building to residential to match the existing use of the top floor of the building, being residential, having regard to the building's heritage importance. The planning and listed building applications seeks to bring the property back to its original use as a single family dwelling house.

Qualifications of Neil Warwick BSC MRICS

I am a partner of Kinney Green chartered surveyors. I qualified as a Chartered Surveyor in 1992 and have spent the majority of my professional life specialising in commercial property in the Midtown area of central London. I have significant experience in office lettings, in particular advising landlords on the specifications of works and equipment to be included in office accommodation to make them as attractive as possible to prospective tenants in the letting and sales market. I work closely with the Midtown Business Improvement District and I am an active member of the property group within that.

Location

The property 7 John Street is situated on the east side of the street, south of the junction with Northington Street. The area is now dominated by residential accommodation. The nearest Underground Station is Chancery Lane, approximately 10 minutes walk to the south. A number of bus routes follow Gray's Inn Road to the west of the property and Theobalds Road to the south. The property is within the Bloomsbury Conservation Area.

Description

7 John Street is a Grade II Listed Building and forms part of a terrace dating from 1760. Arranged over basement ground and 3 upper floors the building has the following approximate gross internal floor areas:-

3rd floor flat – 99 sqm (1065 sqft)

Lower ground to 2nd floor offices – 396 sqm (4262 sqft)

Basement vaults – 46 sqm (495 sqft)

Key Facts

- The building is in a dilapidated state and in need of modernisation and redecoration.
- This is without doubt a very attractive building with a great deal of character, unfortunately whilst attractive from the outside, the office space that could be provided in the building will be period style offices over a number of floors, not conducive to a modern office environment.
- Tenants seeking office space in the area are more likely to choose office accommodation arranged over a single floor, there are many such opportunities in larger office building closer to the underground station on Theobald's Road, Grays Inn Road and High Holborn.
- There is very little that could be changed in terms of layout without causing harm to the heritage asset.
- It would be difficult to provide cooling unless appropriate external space could be found to site condenser units. This is often difficult to achieve with a listed building in a conservation area. It is also difficult to install mechanical equipment without impacting negatively on residential amenities of adjoining flats.
- New toilet accommodation would be required. It is unlikely that the existing space designated for toilets on the half landing would be sufficient but perhaps additional space could be found at lower ground level in order to achieve the appropriate number of toilets required.

- Fundamentally, the building has one entrance from the street and only one staircase, so the residential occupier must walk through the current office accommodation to access the flat.
- The wiring for power and data cabling is via perimeter skirting, modern occupiers will be looking for the provision of a raised floor to allow greater flexibility in the positioning of desks.
- With the improvements in modern technology, tenants, even professional occupiers, have less need for private offices. Open plan offices are much more space efficient and agile working has meant that more people are sharing desk space and using sound cancelling headphones if they need quiet space.
- The building does not comply with current disability legislation, and this would be extremely difficult to provide at the building without compromising the listed nature of the building.
- There is no lift and again it would be very difficult to install one due to the listed building restrictions.
- The Energy Efficiency of the building is extremely poor at present. While the Energy Performance Certificate from 11 years ago has expired the grading of the top floor was F, making the space unlettable without improvement works being carried out. Modern office occupiers are far more conscious of the sustainability of their premises and would take this in to consideration when choosing office space.

Comparable Properties on the Market

In my opinion, it would be extremely difficult to secure a tenant for these offices once refurbished for the reasons outlines above. This is backed up by the number of similar offices currently available in the locality and the length of time that they have been on the market, see below.

Here is a list of some of the properties which have similar features to the subject property that are currently on the market will an indication of how long they have been available to let:-

- 3-4 Lincoln's Inn Fields, third floor, 2,222 sqft. On market for 12 months.
- 23 and 23 Great Queen Street, self-contained building, 1,880 sqft. On market for 6 months.

- 4 Tavistock Place, self-contained building 4,068 sqft. On market for 23 months.
- 26-28 Bedford Row, two floors, 2,560-4,068 sqft. On market for 28 months.
- 8 Montague Street, self-contained building, 3,582 sqft. On market for 42 months.
- Bedford House, 21a John Street, self-contained building available in floors, 364 sqft to 3,608 sqft. On market for 36 months.
- 45 Bedford Row, self-contained building 4,775 sqft. On market for 26 months.
- 12 John Street, self-contained building, 3,139 sqft. On market for 18 months.
- Rapier House, 40-46 Lambs Conduit Street, Floors available 1,570- 2,654 sqft. On market for 21 months.

Whilst some of these properties have retained their period features and only have central heating, a large number have been fully refurbished to include comfort cooling or air-conditioning, modern cabling and in some cases the provision of cycle racks, showers and lockers. The latter being high up the list of tenants' requirements. This is far from being an exhaustive list of properties currently on the market. The immediate locality being dominated by residential use has meant that when office accommodation has become available to let or for sale, it is not surprising that owners seek a change of use as there is no financial viability in refurbishing period office space only for it to remain vacant and unlet for possibly years.

I do not believe that the loss of the part of 7 John Street currently used as offices would prejudice opportunities for business to locate successfully in the vicinity.

Conclusion

In conclusion, even if the offices are refurbished they are unlikely to be able to provide the type of accommodation that the market demands, with its lack of lift, air conditioning/cooling, showers, bike racks and lockers, and even if it did there is no market for offices with an awkward compromised layout and having to share a single staircase with a residential occupier above.

The office accommodation within the building falls short of the minimum requirements of modern day office occupiers and to try to provide such would compromise the heritage nature of the building and would not be financially viable

Caveat

This report is exclusively for the addressee in relation to their planning proposals at 7 John Street and is not to be used for any other purpose. At the time of writing the country is under restrictions due to the COVID-19 pandemic and therefore the market for office space is limited. This report does not take the pandemic's effects into consideration.

If you require any further information or would like to discuss any of the points raised above, please do not hesitate to contact me.

Report prepared by Neil Warwick BSc MRICS

Kinney Green

n.warwick@kinneygreen.com

