

MARKETING NOTE



SUBJECT

1 & 1a Montagu Street

PREPARED BY

Montagu Evans LLP

DATE

05 November 2021

Marketing Commentary

- 1.0 Montagu Evans were instructed by the British Museum to market the refurbished office space at 1 and 1a Montague Street ('the property') in 2019.
- 2.0 Over the past three years, Montagu Evans have been actively marketing the property using the various platforms as stated in 'Marketing Tools' below. There has been minimal interest in the building for office occupiers, but a number of education providers have identified this as being of interest due to the proximity to other establishments and public transport services.
- 2.0 The property is located equidistance between Russell Square, Holborn and Goodge Street and overlooking The British Museum.
- 3.0 Prior to bringing the property to market it underwent an extensive refurbishment to include the following.
 - 3.1 Suspended LED lights.
 - 3.2 Perimeter trunking.
 - 3.3 Fitted kitchenettes.
 - 3.4 Refurbished toilets.
- 4.0 The property comprises large period rooms on the G and 1st floors, the 2nd/3rd floors are made up of a large amount of smaller, more cellular rooms on the upper floor.
- 5.0 The flooring remains unfinished, which has not aided the presentation of the property. The finished product comprises Grade B refurbished space. The space would not be considered Grade A, due to the limitations of the property which include:
 - 5.1 End of journey facilities.
 - 5.2 Lack of designated bike storage and lockers.
 - 5.3 No lift.
 - 5.4 Not DDA accessible.
 - 5.5 No air conditioning.
- 6.0 A continuing theme that the market is experiencing post-pandemic is the preference of occupiers opting to acquire high quality Grade A space. Last month (September) Grade A space accounted for 92% of take-up, and so far in 2021 it has made up 84% of the overall leasing activity.
- 7.0 Within the refurbishment program the lift shaft was removed from the property which has hindered the marketing process as the property is no longer DDA accessible – which has deterred a significant number of occupiers.
- 8.0 Viewing feedback has largely suggested that the larger rooms, which are located in the lower portions of the property and are unable to be subdivided due to the building's listed status, are too large. Conversely, the rooms towards the top of the building are too small and not easily accessible due to the lack of lift facilities.
 - 8.1 The property has also not satisfied the typical office occupier due to the lack of raised floor/ underfloor trunking which means there is a lack of flexibility when it comes to cabling and cable management/ the configuration of the office space.
 - 8.2 The property does also not benefit from air conditioning or comfort cooling, which is a minimum requirement of most office users, especially post covid.

8.3 Furthermore, post covid occupiers are striving towards occupying buildings that meet new certifications which are rapidly growing in significance in the office market called WELL, this is a leading tool for certifying health and well-being standards in buildings globally.

8.3.1 Research shows that companies that have a strong WELL certification have a more productive workforce and lower levels of sick leave. Thus, this is becoming a growing criterion for prospective tenants, landlords and investors. This is similar to the growing importance of BREEAM certification which is the world's leading sustainability certification for buildings. As society places a greater value on sustainability and the effects of global warming, this certification becomes more important to tenants. BREEAM assesses a building over 10 categories such as energy and pollution and awards credits for the levels of sustainability achieved. Unfortunately, 1/1A Montague Street benefit from neither ratings.

8.3.2 The property is currently exempt from requiring an EPC due to its listed status. This is currently being reviewed under the Minimum Energy Efficiency Standards and it remains under consultation as to whether this will be a future requirement. The lack of EPC is likely to deter occupiers who are environmentally conscious as offices that take into consideration sustainability are becoming increasingly desirable.

Market Comparables

9.0 There is a significant amount of availability of varying quality within a 0.3 mile radius of the subject property. Predominantly Grade A, fully fitted space, which is in line with current tenant demand.

10.0 Please see below a breakdown of availability:

Address	Rent (PSF)	Area (Sq ft)	Quality
The Heals Building, 22-24 Torrington Place, Fitzrovia, London, WC1E 7HJ	£82.00	8,644	Grade A- Newly refurbished, CAT A space
Cupola House 15 Alfred Place, London, WC1E 7FB	£185.00 (All inclusive)	23,250	Grade A- Newly refurbished, plug and play managed solution
31-32 Alfred Place, London, WC1E 7DP	£59.50	16,956	Grade A- Newly refurbished, plug and play
The Avenue, 1 Bedford Avenue, London, WC1B 3AU	£82.09	17,500	Grade A- Fully fitted, plug and play
39-40 Russell Square, London, WC1B 3QQ	£57.50	8,104	Comparable to the subject property
10 Bloomsbury Way, London, WC1A 2SL	£72.50	7,464	Grade A/B – CAT A plus
14-15 Southampton Place, London, WC1A 2AJ	£45,00	7,917	Grade A- Period style plug and play space

Conclusion

11.0 Due to the specification of the property and tenant demand the subject property poses an increasingly difficult prospect to let as office space.

Marketing Tools

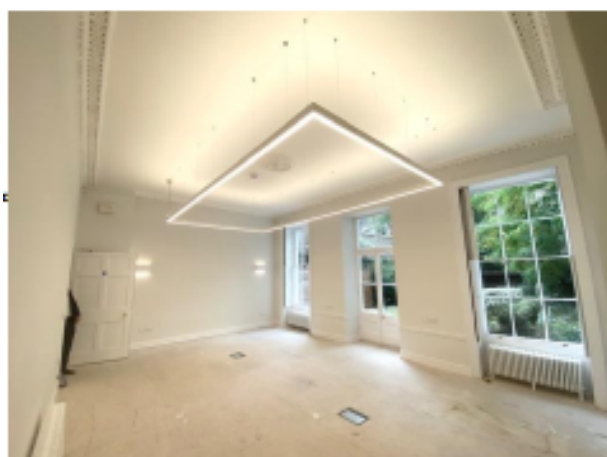
12.0 We have been instructed to use the following marketing tools:

- In house marketing particulars and photography;
- West End Office Agency;
- CoStar;
- Realla; and
- EG Property Link.

13.0 We were unable to install a 'To Let Board' due to security risk for the museum. This is a direct result of the property being broken in to and occupied by squatters.

1 & 1A MONTAGUE STREET

Self-Contained Office of 8,043 sq. ft.



LOCATION



The building is on Montague Street – a street which leads off the beautiful Russell Square. It is easily accessible by Russell Square and Tottenham Court Road Underground Stations. Euston mainline station is also within a short walk. The area is home to a number of world leading universities, colleges and hospitals.

DESCRIPTION

The property comprises modern open plan floors behind a traditional period façade. The building is of brick construction which are arranged over five floors.

The Grade II listed office has undergone a comprehensive refurbishment and will provide modern office space in a prime location.

TRANSPORT LINKS

Russell Square	 6 minutes
Holborn	 7 minutes
Tottenham Court Rd	 9 minutes

AMENITIES

- Self contained
- Fully refurbished
- New LED lights
- Fantastic ceiling heights
- Large garden
- Shower facilities
- Bike racks

AVAILABILITY

Floor	Area (NIA) sq. ft.
3 rd	1,863.55
2 nd	1,488.22
1 st	1,754.95
G	1,493.92
LG	1,441.93
Total	8,042.57

TERMS

A new lease is available directly from the landlord for a term by arrangement.

Rent: £57.50 per sq. ft. (No VAT)

Rates: £18.50 per sq ft (2017/18)

S/C: N/A

EPC available on request

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For further information or to arrange a viewing.

