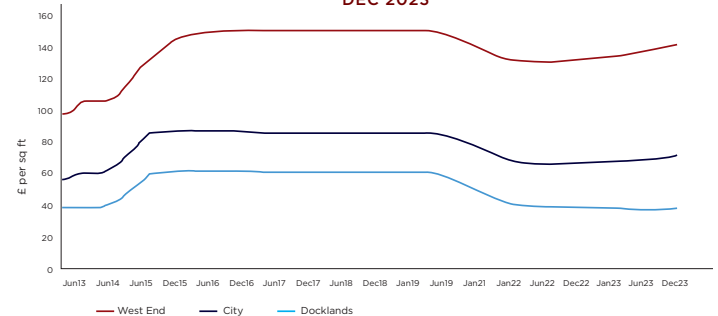


## LONDON LEADS THE WAY IN FLEX OFFICE MARKET

By the end of 2023 vacancy rates in St James's fell marginally to just above 5% owing to 31 St James's Square at 78 St James's Street letting up their vacant floors during the year. The Flex market continues to expand with an increase in demand by 5% on the already record year of 2022 with the average rent per sq ft reaching £235 per annum.

CENTRAL LONDON HEADLINE RENTS  
DEC 2023



## M & H OFFICE LETTING

### 50 PALL MALL, SW1

Acting in behalf of Lazari Investments, M&H have successfully let the 1st floor of the above building comprising 4,139 sqft. The building comprises high quality office space with an impressive reception area, 2 lifts, bikes racks & showers and a large atrium. The quoting rent was £87.50 psf.



## M & H OFFICE AQUISITION

### CUNARD HOUSE, 15 REGENT STREET, SW1

On behalf of K2 Integrity, M&H have acquired the 5th floor within the above building comprising 7,344 sqft. The accommodation had been fully refurbished by the Crown Estate to provide a mixture of open plan and partitioned offices which were completely fitted and furnished. The quoting rent was £79.50 psf.



## CURRENT OFFICE AVAILABILITY

0-5,000 SQ FT	—	60,487 SQ FT
5-10,000 SQ FT	—	50,773 SQ FT
10-50,000 SQ FT	—	151,458 SQ FT
50,000+ SQ FT	—	119,411 SQ FT

## NEW TO ST JAMES'S – FARMER J

Farmer J has opened their doors to 210 Piccadilly, a two-storey restaurant in the bustling heart of Piccadilly Circus, which brings a mix of mediterranean and middle eastern dining to the centre of the West End. The new restaurant will also be home to Farmer J's first children's menu, Junior J, which includes the likes of Little Rice, Chicken and Broccoli and Little Mac & Cheese and Broc'.





## PIPELINE STOCK

ADDRESS	DEVELOPER	SQ FT	COMMENTS
Metcalf, 83 Pall Mall, SW1	Tikehau Capital	42,000	Q4 2024
Almack House, 26-28 King St, SW1	Pontegadea	39,671	Q3 2024
55 Pall Mall, SW1	Simten	35,000	Q4 2024
62 St James's Street, SW1	Sunny City	15,000	Q3 2024

## INVESTMENT SUMMARY

Commercial real estate investment in central London was challenging in 2023 with investment volume being just over £7 billion. Prime yields in the West End now stand at 4% due to the challenging economic backdrop and the rising cost of debt.

However, interest rates are stabilising, and sentiment is improving due to the strong fundamentals of the London office market. Mellersh and Harding have seen this first hand with the strong interest shown in the sale of 9 Berkeley Street W1.

The asset was put under offer in Q4 2023 with completion anticipated in Q1 2024.

Cash rich investors will have their strongest position in the market for some years with numerous buildings requiring refinancing and the banks looking to push for the sale of none performing assets.

We believe the price adjustment realised in 2023 will lead to increased investment volumes in 2024.

## ST JAMES'S TRANSACTIONS 2023

Address	Floor	Sq ft	Rent (psf)	Lease	Date
31 St James's Square, SW1Y 4JR	5th	12,000	£155.00	10 Years	Oct 23
31 St James's Square, SW1Y 4JR	G & 1st	27,820	£87.50 & £107.00	12 Years	Oct 23
26 St James's Square, SW1Y 4JH	5th	1,924	£150.00	10 Years + a 5th year break option	Oct 23
3 St James's Square, SW1Y 4JU	1st	2,215	£128.00	5 Years	Oct 23

## ST JAMES'S PAST...

### Spencer House

Spencer House, takes its name from the Spencer family, ancestors of Lady Diana Spencer, later Diana, Princess of Wales. Commissioned by John, 1st Earl Spencer, and designed by architect John Vardy in the 1750s, it has been the enduring London residence of the Spencer's at 27 St. James's Place. This distinguished aristocratic townhouse is renowned for its neoclassical architecture.

## ST JAMES'S FUTURE...

### The Ritz

The Ritz Hotel unveiled ambitious plans to expand its historic structure with the addition of 12 new storeys. Part of this expansion will include a 5 storey basement.

The proposed enhancements include the incorporation of 53 luxurious rooms, a swimming pool, a multi-storey spa, and a gym. Additionally, plans include underground parking facilities catering to 10 VIP guests, along with a courtyard.

## CAN WE HELP YOU?

Please let us know if we can help you on your office, gallery or shop

Call us on 020 7522 8500

RENT REVIEW / LETTING / LEASE RENEWAL / SALE / OFFICE ACQUISITIONS

## OFFICE AGENCY TEAM...

Julian Leech  
jleech@mellersh.co.uk  
020 7522 8525

Jonathan Stern  
jstern@mellersh.co.uk  
020 7522 8517

Jeremy Waterworth  
jwaterworth@mellersh.co.uk  
020 7522 8504

Henry Frisby  
hfrisby@mellersh.co.uk  
0207 522 8524

