

SPACEPOINT[↑]

London Office Update
July 2024



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Deals continue across London

>> Market Update

Here is a snapshot of this month's completed leasing activity across the London markets.

Flexible workspace provider Techspace is to launch a new location at 132 Goswell Road, Clerkenwell, which will provide space for 900 desks and more than 1,000 new members. A former gin distillery, the site was rated BREEAM Excellent in 2022 after undergoing a £35M redevelopment. The new 80,000 sq ft workspace is set to open in October, offering three roof terraces, a workout space, a rooftop café and bar, a double-height event space, and a podcasting studio.

Founded in 2012, Techspace has opened offices in London and Berlin, to exclusively support tech businesses. For the last 12 years, it has helped hundreds of companies like Databricks, Plaid, Worldcoin and Pleo set up their London and Berlin operations. It aims to double its member portfolio from 3,500 to over 6,000 members by the summer of 2025.

The Battersea Power Station development has secured another tenant with SharkNinja taking space at 50 Electric Boulevard. SharkNinja, which initially leased 25,000 square feet within the Grade II* listed Power Station for research and development in 2022, is expanding its footprint with an additional 32,000 square feet for its new EMEA headquarters.

50 Electric Boulevard offers 200,000 square feet of office space, including a 240-person presentation area, an 1,800-square-foot communal roof garden, and typical floor plates of 16,000 square feet with terraces and floor-to-ceiling glazing. The restoration of the landmark, central to the 42-acre site, now hosts over 3,500 workers from more than 60 companies, including Apple's 500,000-square-foot UK headquarters.

Revolut, the fast-growth fintech company, is set to move its global headquarters to the YY London building in Canary Wharf, occupying 113,000 square feet on a 10-year lease starting in May 2025. The firm which has over nine million UK customers and 40 million globally, chose YY London for its sustainable design, employee wellbeing focus, and productivity features.

The relocation will increase Revolut's London office space by over 40%,

spanning four floors. As a remote-first company, Revolut plans to utilize the space for product launches, workshops, team-building activities, and other events. The move is part of Revolut's broader plan to grow its global workforce by 40% in 2024.

To learn more about how we exclusively specialise in advising Tenants, visit - [Spacepoint](#)



SME's and the election



Commentary

A survey by 1st Formations in early June found that small businesses are almost evenly split between Labour and the Tories. Despite there being 5.5 million small businesses in the UK, this sector is often overlooked by politicians.

Of the 800 respondents, primarily from tech, e-commerce, finance, education, construction, hospitality, property, and retail, 51% believe the Tories are better for business.

Graeme Donnelly, CEO of 1st Formations, noted that the narrow margin for the Conservatives, historically seen as the party of business, highlights Labour's progress. Donnelly emphasized that SME owners feel disadvantaged compared to big businesses. He criticized the government's reluctance to lower business rates or VAT and noted the negative impact of Brexit on SME recruitment, which stifles UK economic growth.

Dr Sultan Salem, an economist at the University of Birmingham exclusively emphasised the importance of SMEs for the UK economy, "While all businesses are important contributors to the UK economy, it is important that we start focusing [more] on entrepreneurs and SMEs, who are traditionally more adaptable to new technologies and innovations, and [therefore more likely to drive] substantial [growth] to the UK economy."

"With the above in mind, Labour would seem a better choice for sustainable, long-term economic growth. Their proposed targeted support for small and medium businesses, including access to finance and local economic development. Their policies often include grants, subsidies, and support programmes designed to help small businesses thrive", says Salem, who adds that analysis maintains a neutral, data-led stance and does not endorse any political party.

While the Conservatives' long-established policy of tax cuts, deregulation, and free markets have helped the establishment of big businesses (including SMEs), the benefits created by these policies are not evenly enjoyed by all businesses, especially entrepreneurs, says Salem.

"Given the myriad of issues facing small businesses, re-electing Conservatives will only likely mean a continuation, or slight expansion, of existing policies, i.e. a continued focus on tax cuts and deregulation. While they may benefit some of the

larger internationalised sectors, such as those that favour lower regulation, overall the benefits will likely be unevenly distributed. If the Conservatives' policies have not worked well for the past few years, it's hard to see how a continuation of these would make the difference," concluded Salem.

This article does not reflect the views or opinions of Spacepoint



My office has been damaged – do I still pay rent?



Education

The insurance terms in a lease are crucial as they define who is responsible for insurance and what happens if the property is damaged. Getting the right advice from the start can make a significant difference when it comes to reinstating the building.

In a typical full repairing and insuring (FRI) lease, the landlord insures the property for its full reinstatement value against common risks like fire, explosions, storms, and earthquakes. It's important that the lease obligations align with the actual insurance policy, otherwise, the landlord could end up in breach.

A landlord will also insure against 'loss of rent' for a set period, usually three years. This means the tenant can stop paying rent if the property becomes unusable due to damage covered by insurance. The tenant usually pays for these insurance costs, which include premiums for both building insurance and loss of rent cover, plus any excesses and the cost of an annual valuation. This is known as 'insurance rent' and is on top of the main rent.

While tenants are generally responsible for repairing the leased property, they aren't liable for damage covered by insurance. This is fair since the tenant pays the insurance premiums. However, there are exceptions, especially if the tenant's actions invalidate the insurance. In such cases, the lease may require the tenant to reimburse the landlord. Landlords may also have non-invalidation clauses in their policies to prevent tenant actions from affecting coverage.

If the property is damaged by an insured risk, the landlord must claim the insurance and make the repairs within a set timeframe. Sometimes, landlords want flexibility to make changes during reinstatement, but this can be contentious, so it's important to get good advice on the lease's wording.

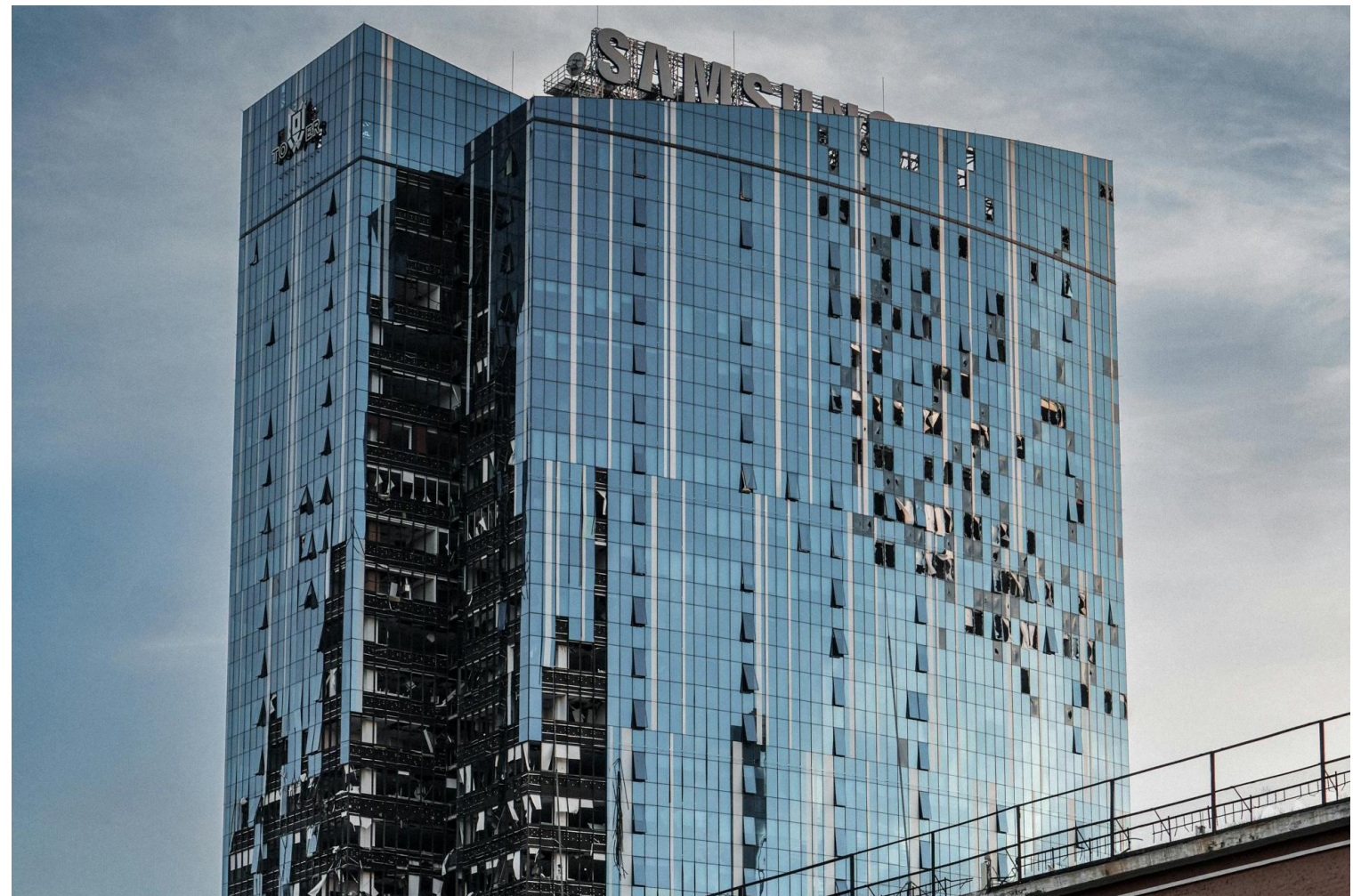
Tenants need to understand that even if the property is damaged and they can't use it, the lease doesn't automatically end and rent is still due. Typically, the landlord will claim the loss of rent insurance, and the lease will allow the tenant a rent cesser for a specified period. The details of this cover are crucial and usually only apply if there's physical damage.

To ensure certainty, the lease might state that if the property isn't reinstated by the end of the loss of rent period, either or both parties can terminate the lease.

This needs careful negotiation to reflect the tenant's desire to resume business or relocate and the landlord's potential interest in redeveloping the site. Consulting a solicitor is vital to achieve the desired outcome.

This article has been summarised from [the original article](#) written by Ingram Winter Green LLP.

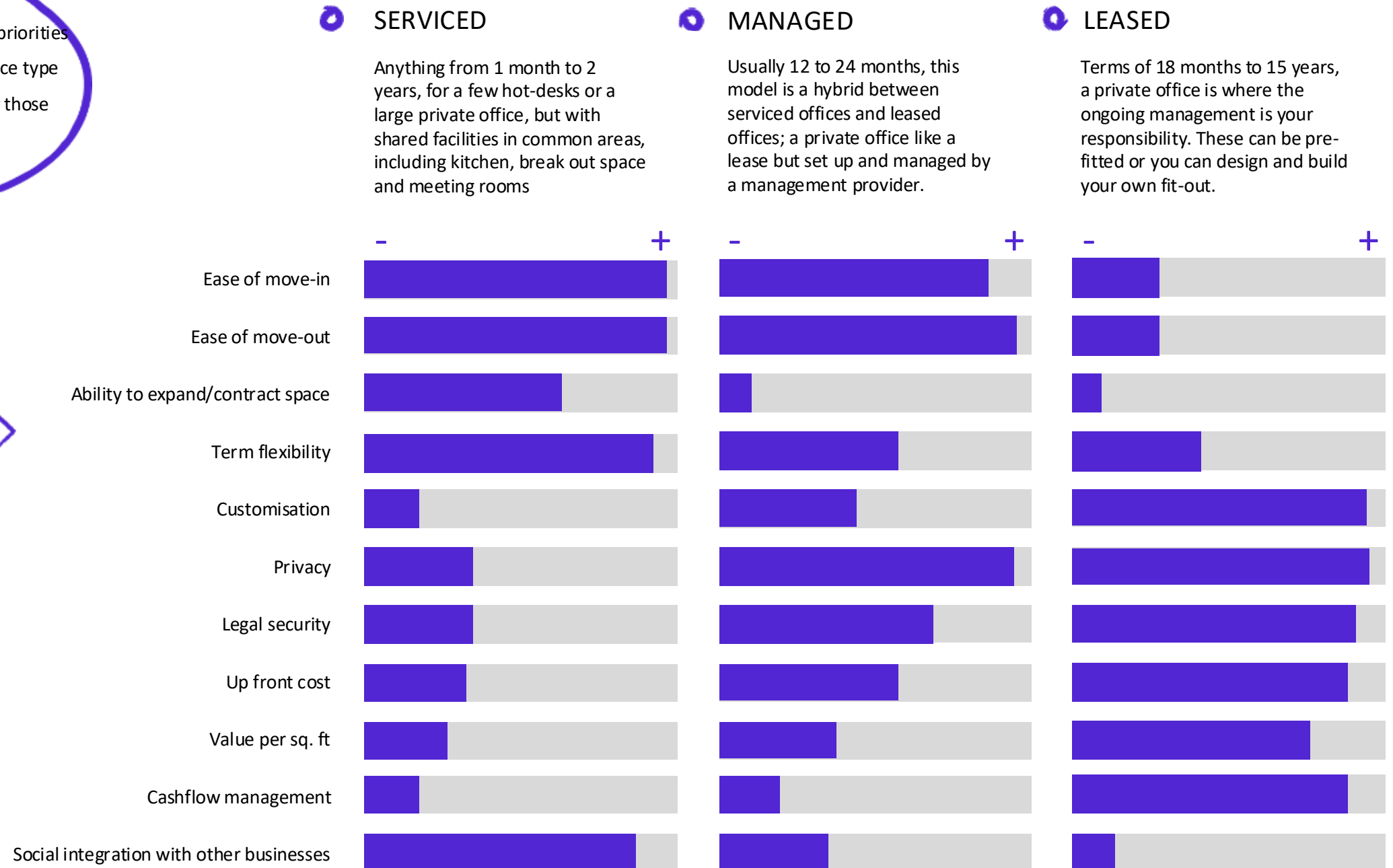
For robust negotiators when considering your next office move visit - [Spacepoint](#)



Which type of office is right for you?

>> Types of office

Each business has differing needs and priorities for their staff and clients, and each office type offers alternative solutions to cater for those requirements:



Serviced offices

What is a serviced office?

A simple analogy is to think of a serviced office as a hotel for businesses. You turn up, and everything you need in an office is there and ready to go. Serviced offices are fully managed, set up and equipped to enable you to start work immediately, with all costs wrapped up into one monthly bill. The concept of the serviced office revolves around a combination of hospitality and flexibility. It delivers all the office amenities required to run a business, on a contract length of your choice and served with a smile.



The benefits of serviced offices

Flexibility – you can occupy a serviced office for any period of time from a few months to a few years. As your company grows or your needs change, you will be able to scale accordingly.

Simplicity – you arrive, you plug in, and you go. The offices are fully furnished, internet is installed, and telephone can be at the ready. Set up is absolutely minimal.

Speed – as the agreement is by license rather than lease, solicitors do not typically need to be involved. This means agreements can be finalised in a few days, allowing an almost immediate move.

Low set up costs – you won't incur solicitors fees, fit out costs, there is no need to purchase any furnishings or pay any IT instalment costs. The office is plug and play. Unlike a leased office, all these aspects are already in hand.

Facility management – the operator will manage the office to ensure it runs smoothly, dealing with everything, from call handling, meeting and greeting visiting clients, overseeing the cleaning, and to supplying teas and coffees.

Leverage their portfolio – A lot of providers have multiple locations situated across London and other parts of the country, and you can use their facilities across all locations.

Will serviced suit my business?

Serviced offices appeal to companies of all shapes and sizes, from small start-ups to large corporates. Serviced really comes into its own when companies require flexibility.

Scaling companies – If your head count is expected to grow quickly and you want your office to scale in line with your headcount, then serviced is worth considering.


Start-ups – you don't have to commit to a long lease length, which will allow you to adapt with your business in which ever direction it takes.

Project space – if you only require the space to last for the duration of a certain project, that is no problem.

Overflow – if your current office proves to be too small but you are tied into it for another year or so, then serviced can act as excellent overflow space.

Between offices – whilst you wait for your new dream space to come to fruition, you can keep the doors open and occupy a serviced office as a stop gap.

Serviced office availability

* For a bespoke search, please click here 

SEARCH



Soho Berwick Street, W1F

Desks 6
Monthly Total £5,000

[Click here for more details](#)



Marylebone Melcombe Place, NW1

Desks 13
Monthly Total £8,635

[Click here for more details](#)



Borough Saint Thomas St, SE1 9SD

Desks 28
Monthly Total £18,200

[Click here for more details](#)



Vauxhall Albert Embankment, SE1

Desks 11
Monthly Total £5,225

[Click here for more details](#)



Bank Birchin Lane, EC3

Desks 16
Monthly Total £9,600

[Click here for more details](#)



Kings Cross Chalton Street, NW1

Desks 34
Monthly Total £27,166

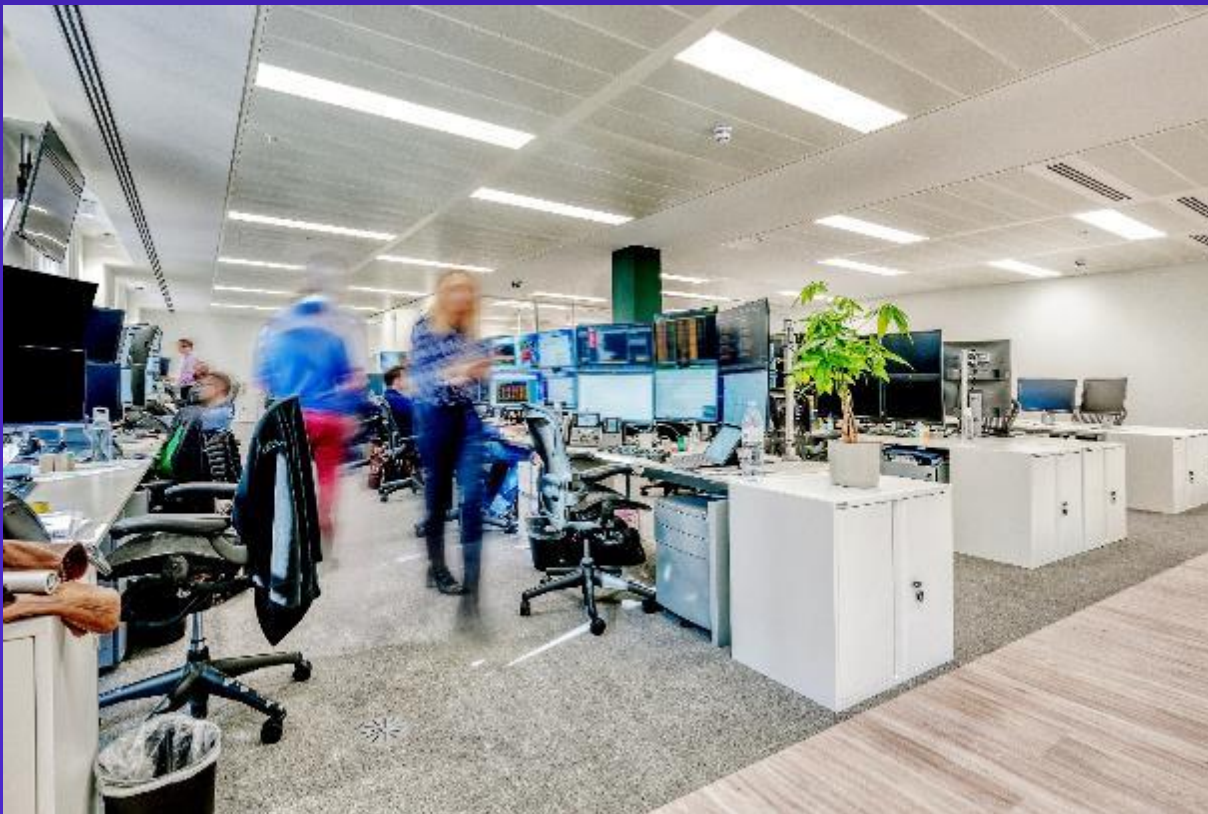
[Click here for more details](#)

Leased offices

What is a leased office?

A conventional leased office is the predominant method for companies occupying office premises. A company (the Tenant) will agree a lease contract to rent an office space for a period of time (usually a number of years) from a Landlord.

It is a more complex arrangement than that of the simplicity of a serviced office, but, with it, comes substantially more freedom to create exactly the space you want, as well as greater privacy, and significantly more security from a legal rights perspective.



The leased office market is comprised of:

New leases - offered by the building owner, are typically on contractual terms of 5 -20 years, and incorporating lease break opportunities within those periods. These are often presented in a condition known as CAT-A; meaning heating, lighting, ventilation and power are all supplied to the space, but the incoming Tenant will need to install their own fixtures, fittings and furnishings, etc. Although, it is becoming more frequent for Landlords to install a “speculative fit-out” (known as CAT-A+) that offers most elements of what a business may need from a space.

Sub-leases - offered by Tenants who no longer need some or all of their space. This will be an office that is typically offered with the existing fit-out in place, although larger spaces with many years left on the lease may be stripped out and offered as CAT-A space. By taking out a sub-lease, it is the current Tenant who becomes your Landlord, and they themselves retain their Tenant relationship with their original Landlord, the Superior Landlord. Sub-leases may be short term, such as 12 months, or sometimes up to 10 years.

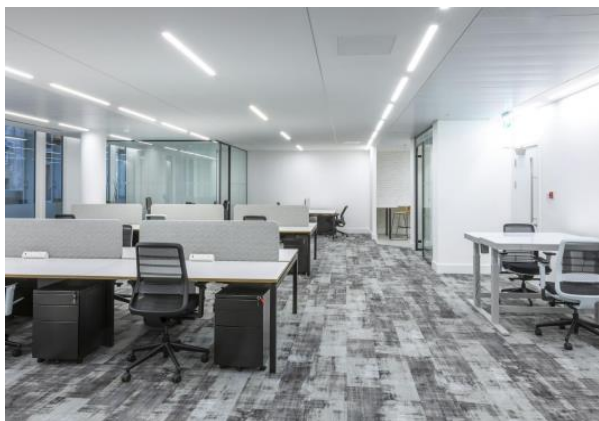
Assignments - are existing lease contracts that are being offered to the market by the outgoing Tenant. Unlike a sub-lease, which can offer part or all of the demised area on new contractual terms, an assignment of a lease is the trading of an existing lease on its prescribed terms, though it is possible to latterly make amendments to the prescribed terms, to a certain degree. Assigning their lease, for the most part, absolves the assignor Tenant from their contractual obligations to the premises, and the assignee Tenant becomes entirely responsible. Much like sub-leases, assigned office premises are frequently offered with the existing fit-out in situ, and are often for terms from 12 months – 5 years.

Preparing for the end of your lease:

When approaching the end of your contract in a conventional lease space, a lot of planning is required to ensure your exit from your current space and transition into your new space goes as smoothly as possible. Some elements are simply organisational good practice, but other considerations are those of your legal obligations contained within your lease which, if not appropriately managed, then it could cost your organisation significant amounts of money and turmoil.

Leased office availability

* For a bespoke search, please
click here

[SEARCH](#)

Mayfair Park Street

Size (sq ft) 5,833 sq. Ft

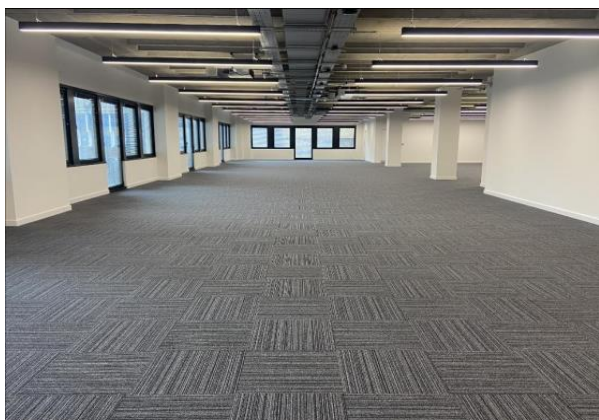
Monthly Total £75,911

[Click here for more details](#)

Marylebone Old Marylebone Road

Size (sq ft) 1,992 sq. ft

Monthly Total £9,586.50

[Click here for more details](#)

The City America Square

Size (sq ft) 2,357 sq. ft

Monthly Total £14,293

[Click here for more details](#)

Shoreditch Shoreditch High Street

Size (sq ft) 7,677 sq. ft

Monthly Total £63,659

[Click here for more details](#)

Lower James St. Soho

Size (sq ft) 2,488 sq. ft

Monthly Total £22,176

[Click here for more details](#)

Covent Garden Slingsby Place

Size (sq ft) 1,930

Monthly Total £22,943

[Click here for more details](#)

Case Study



AVANTGARDE

“Mark placed us in a fantastic office in 2017, and has remained our property partner for ad-hoc property advice ever since.

Naturally, we reached out to Spacepoint as our lease approached expiry in 2023. Our studio style environment plays a fundamental role in the Avantgarde culture and offering so securing a space that resonated with the team was paramount.

Following an extensive search and thorough negotiations Mark has secured us a superb new home with a strong architectural language that will benefit our present and future team through the years to come.

I can highly recommend Mark and Spacepoint to any business/leader looking for that next office move.”



Location	Sector
London Bridge	Marketing



property perfected ✓



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