



COSTAR INTERVIEW

BentallGreenOak Fills Up Plum St James's Development

Developer Says Building Is Redefining the Best in West End Offices



78 St James's Street's Saloon. (BentallGreenOak)

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BentallGreenOak has completed its [78 St James's Street](#) redevelopment, with 50% let or under offer, promising a building that redefines what the most prime West End offices can offer in terms of floorplates and amenity.

CoStar News caught up with Ker Gilchrist and Alexander Morris to discuss how the development has evolved during the pandemic and changed their views on what modern offices can offer.

Deals have now been signed with US private equity firm King Street Capital, hedge fund Schonfeld Strategic Advisors and fintech business GP Bullhound. A further deal is close to signing across the third floor with another financial services occupier.



The heritage entrance for 78 St James's Street. (BentallGreenOak)

King Street has taken 8,015 square feet on the fifth floor while Schonfeld has taken 18,074 square feet on the second floor, and GP Bullhound has taken around 10,000 square feet on the upper ground floor. BGO is close to signing another financial services occupier for the third floor, leaving the first, ground and lower ground floor available.

BGO began work on the rare speculative offices development in prime St James's after gaining consent for a refurbishment and extension of the former headquarters of

HSBC's Private Bank in 2019.

The Squire & Partners designed scheme comprises 100,000 square feet of office accommodation on floors of up to 18,500 square feet and with clear heights of 2.8 metres. It also includes around 10,000 square feet given over to amenities for occupiers.



The 'Morning Room' in 78 St James's Street. (BentallGreenOak)

BGO says the redevelopment has focused on providing world-class modern workspace, while "redefining the benchmark for landlord-offered amenities". The heritage element of the Grade II* listed building, which dates back to the 1830s, has been redeveloped as tenant space amenity with the ground floor providing a business lounge, the original

brick vaults converted into a wellness suite, a gym and the "Collab Space", a multi-function room which can serve as an auditorium or host fitness classes.

The building has also been extended to create a shared pavilion and rooftop terrace overlooking Westminster and Green Park.

Alexander Morris, head of London development at BentallGreenOak, said in a statement: "We have delivered the redevelopment of 78 St James's Street through a global pandemic, creating an ultra-modern workspace with the very best amenities in a stunning heritage environment and have attracted a stellar line-up of occupiers to the building who see the value of their teams being able to work together in a best in class business environment."

JLL and BNP Paribas Real Estate are the appointed letting agents.

Speaking to CoStar News Morris said: "The quality of the amenity spaces really reflects the market going forward and the demand for the very best space for occupiers. If there is a positive from the pandemic it has been the increased focus on creating better space. This is the best space in St James's and tenants are responding."



Exterior (BentallGreenOak)

Ker Gilchrist, managing partner for Welput at BentallGreenOak, said the group had already decided on a lot of the elements it would introduce pre-pandemic but these moved up the agenda as COVID-19 took hold.

"We needed to make we sure would get the product definition right and you have to back yourself that what you are building answers the questions you have. Companies were telling us they had made the decision we want people to come back to the office but we want them to be in the best offices they could be in.

"Once you strip out IT and human resources the truth is rent is actually quite a small part of the equation and paying a bit more to keep our best people is an easy piece of maths. When we were doing tours with tenants what has been clear is you can see that it is increasingly an HR-led decision. We have been brave in responding to that, but that is why we have had the leasing velocity."

Gilchrist adds that the team is working every day on each of its developments to improve.

"We always try and make allowance for changes and we are way better at it now working with Alexander on the team. We really work hard to knit in what we are doing with what the submarket needs."

At 78 St James, Gilchrist says key has been returning a "once loved building back to being loved again".

"It is a very pretty building but I also want people to know it is a proper flexible space that just happens to have some real Instagram attraction at the front before it links into the newer building. The two buildings talk to each other in way they never did before. From a West End perspective we have shown how we can define the quality of amenity provision in a way that had not existed before."

Morris says that by connecting the old with the new they have created something else that is pretty much unique in the West End. "To have single floors of 18,000 square feet in St James's, well that is one of the biggest results of the project."

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