



CANARY WHARF  
GROUP PLC

Owen Whalley  
Service Head Planning and Building Control,  
LBTH  
Mulberry Place,  
5 Clove Crescent,  
London E14 2BG

6 April 2017

Dear Owen

**Reference: 10 Bank Street Planning Application**

At the recent 10 Bank Street Strategic Development Committee meeting we understand that some of your members queried the necessity of our current planning application and what it offers over and above the previous Reserved Matters Scheme. I thought it would be helpful to write to you to explain the reasons why our current 10 Bank Street scheme is a fundamental and necessary design change and how much the successful pre-letting and ultimate viability and deliverability of this site relies upon it. I trust that your members will be made aware of the content of this letter.

Putting it very simply, we will not build this building speculatively and in order to facilitate the construction finance on which we will rely to deliver a building of this size on this site, we will need to achieve a pre-letting of at between 40-60% of the buildings floorspace. This equates to approximately 340,000 sq ft to 514,000 sq ft. The exact figure will be determined by both our view and the lending bank's views on the property market and risk, both of which are not moving in an optimistic direction, especially in light of economic uncertainty relating to Brexit.

A prospective tenant interested in leasing 300,000 sq ft plus of office floorspace, by its very nature, will be a large organisation, whether in the professional, financial, technology, government or other sectors. The modern workplace practices for almost all tenants, and especially those of this size range, together with the continued pressure to reduce operating costs, is resulting in the increasing requirement for large and highly efficient floor plates with clear leasing spans suitable for open plan high density occupation. Tenants also wish for their staff to be located on as few floors as possible to create a more collaborative working environment.

Since gaining outline planning permission in 2013 and subsequently securing Reserved Matters approval in 2014 the market has undoubtedly changed, and the above requirements from occupiers have become more clear and certain. From our most recent experience at 1 Bank Street, together with our experience in assisting the Government Property Unit with their letting at Cabot Square, and also from our recent discussions with HMRC, Expedia and Deutsche Bank to name just a few, it is very clear to us that the Reserved Matters Scheme with its floor plates of 24-29,000 sq ft, central core



and core to window depths of 15m is not appropriate for today's large occupiers of 300,000 sq ft plus.

The most recent 10 Bank Street scheme, with its floor plates of 32-36,000 sq ft, off-set core and core to window depths of 25m to the north elevation is a far superior floor plate and one that is more appropriate for the requirements of today's modern large occupiers. This floor plate will ultimately provide us with a building better suited to compete with other developers in other Central London locations for large pre-let occupiers.

At Canary Wharf Group, we have pre-let and developed more office space than the next top 3 London developers combined. We listen to occupiers and design and deliver buildings that actually work, and this is the main reason Canary Wharf exists at all today.

10 Bank Street has the potential to be one of the best sites in Canary Wharf and therefore would naturally be the next site a large pre-let tenant would choose. But, we need to be able to offer a building that actually works for a potential tenant. Otherwise, it will simply remain a vacant site for the foreseeable future.

Yours sincerely

Richard Archer  
Managing Director, Offices