

Property Week

the eco issue

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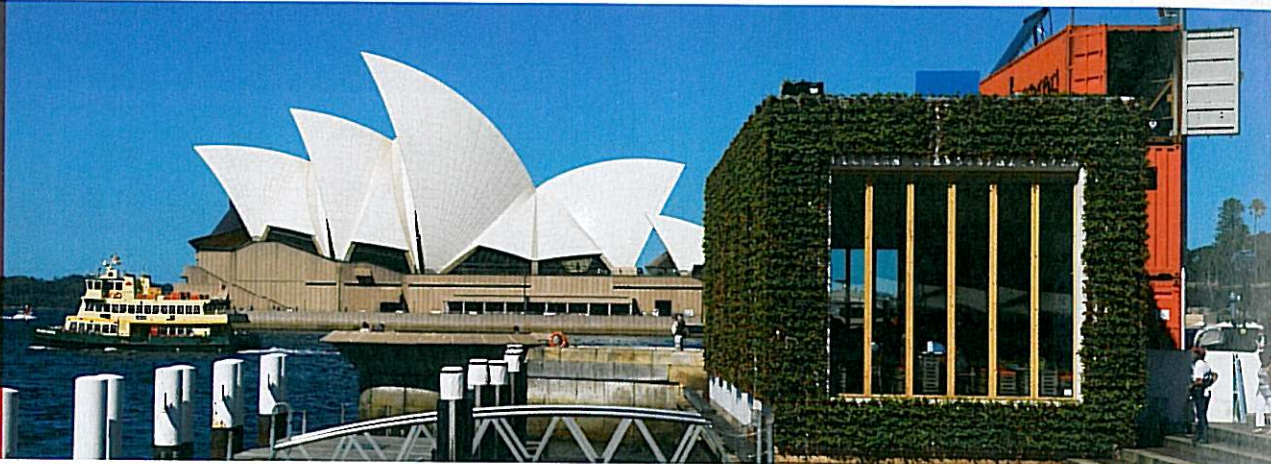
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Greenhouse effect

Melbourne-based designer Joost Bakker plans to bring his sustainable pop-up cafe concept, Greenhouse, to London next year. His cafes take three weeks to build, are made entirely from recycled materials and feature rooftop gardens. They have enjoyed temporary residences in Sydney (pictured) and Melbourne.



South Bank ad break

■ Ogilvy & Mather in discussions over up to 250,000 sq ft at Delancey's Westminster Place near Waterloo

BY NICK JOHNSTONE AND MIKE PHILLIPS

Advertising agency Ogilvy & Mather is in exclusive talks to take up to 250,000 sq ft of offices on London's South Bank, ending years of speculation over its relocation from Canary Wharf.

Property Week can reveal that the WPP subsidiary has finalised heads of terms this week with Delancey and Scottish Widows Investment Partnership to take one of the UK's biggest office prelets since the downturn, at Westminster Place, near Waterloo railway station.

Ogilvy, which represents brands as diverse as Kraft, Adidas and IBM, would take between 200,000 sq ft and 250,000 sq ft at the site, where consent for a 350,000 sq ft office block was granted in May 2008.

Other options, among them Argent's King's Cross Central, Hammerson's Principal Place and a renewal at Canary Wharf, are believed to have been abandoned.

During its 20 years at Canary Wharf's 10 Cabot

Square, Ogilvy has been criticised by the advertising industry for being miles from the media heartland of the West End.

When it moved to a 100,000 sq ft office at Canary Wharf from Brettenham House on Strand in 1992, it was one of the first large-scale tenants at the scheme. However, it failed to pull further media companies east. To mitigate the impact of this isolation, it opened a satellite office in Victoria's Grosvenor Gardens in 2006.

Moving the entire operation to Westminster Place when its Canary Wharf lease expires in 2016 would bring it closer to a mainline railway station, in a new building with 360-degree views. The lease would also provide Ogilvy with an affordable rent of around £45/sq ft in addition to three years rent free.

Ogilvy has been on London agents' "occupiers to watch" lists for about a decade, and was linked to large sites in the City of London and West End. Most recently, in 2009 it was in talks to take 150,000 sq ft at building B6 of Argent's King's Cross Central scheme.

The news comes as Delancey advances talks with insurer Jardine Lloyd Thompson over a 200,000 sq ft letting at the St Botolph Building in the City.

A prospective relocation to the nearby Beaufort House for the insurer fell through late last week, after the building's owner, the Libyan transitional government, decided not to provide the funding required to buy out leases of existing occupiers at the property.

This leaves the St Botolph Building as the preferred option for Jardine Lloyd Thompson, which has a lease break on its existing space in 2013.

Although a transaction is not yet certain, it would represent Delancey's first letting since it took Minerva private in September 2011. Jardine Lloyd Thompson would pay around £45/sq ft.

James Andrew International and Cushman & Wakefield advise Ogilvy; DTZ has been retained on Westminster Place; CBRE, alongside Jones Lang LaSalle, advises Jardine Lloyd Thompson and Minerva on the St Botolph Building.

All parties declined to comment.