

Welcome to **Q3** the third update for **2023**, giving you an up-to-date view of the commercial property market in west London. Featured in this issue: Market Summary, Take-Up, Q3 Headlines, ESG special, The Ark re-invented & much more west London news

SO CLOSE AND YET SO FAR...

MARKET SUMMARY

OVERVIEW Q3

Another quiet quarter in the west London office market. Occupiers are still being cautious, resulting in a number of lease renewals taking place instead of moves. From an agency perspective, we have seen an increase in enquiries within the market compared with Q1 and Q2 of this year. On a further positive note there are currently a couple of **15,000+ sq ft** deals close to completion in **Hammersmith** and **White City** which, we hope, will make some good news for our **Q4 Update**.

In the meantime, smaller sales with conversion potential seem to be attracting interest although in the wider investment market, buyers continue to be extremely cautious particularly in the office sector.

In the occupational market, more landlords are fitting out smaller spaces speculatively to meet the demand from occupiers for fitted space, particularly those companies coming out of the serviced / flex market.

CHISWICK

Frost Meadowcroft finalised a deal with *Magnet Ltd* for the retail space at **Botanic House W4**, 309-313 Chiswick High Road a total of **4,951 sq ft** at **£36.36 per sq ft** on a 10 year lease. Further up the road at **Chiswick Tower W4**, the equity firm *FinNest* took **2,700 sq ft** on the 17th floor at a rent **£42 per sq ft** for **5 years**. In **Chiswick Park W4**, in **Building 6** the global engineering company *Bechtel* agreed on a sublease on **24,161 sq ft** for **£47.50 per sq ft** for **10 years** from *Aker Solutions*.

Channel 9 Australia famous for Married at First Sight



MARRIED AT FIRST SIGHT

FULHAM

In Fulham at **Melbray House SW6**, *Lingerie London Ltd*, designers of high end lingerie, signed a lease for **5,098 sq ft** taking the whole building at **£36.78 per sq ft** for a **5 year term**. At **Coda Studios Channel 9 Australia**, agreed on **1,324 sq ft** for **£45 per sq ft** for **5 years**.

PADDINGTON

In Bayswater at **10 Eastbourne Terrace W2**, *Sitecore* signed on **7,132 sq ft** for **5 years**, and *Huawei UK* took **7,129 sq ft** on the 2nd floor on a **5 year lease**.

HAMMERSMITH

At **Lyric House**, *Causalens* the Causal AI software company took **3,767 sq ft** at **£50 per sq ft** for **3 years**.

Oman Air signed up at **Heritage House** for **2,071 sq ft** at **£35 per sq ft** for a **5 yr lease**.

AC Fashion Design agreed on **2,849 sq ft** on the 1st floor of **Colet Court** for **£30 per sq ft** for a **3 year term**.

Our client *Romulus* agreed a deal in Q3 at **3 Shortland** with *Tesla* for **7,650 sq ft** on a managed basis.



The most notable deal in Hammersmith and west London in Q3 was at **12 Hammersmith Grove W6**. *IWG (Regus Spaces)*, the largest international workspace provider, are taking over from *WeWork* taking a total **56,337 sq ft**.

Read more Headlines...

On the sales front in Hammersmith it is reported that *Federated Hermes* sold **Sovereign House** at 361 King Street for **£3.8 million** with an **8% yield** and **capital value of £280 per sq ft**.

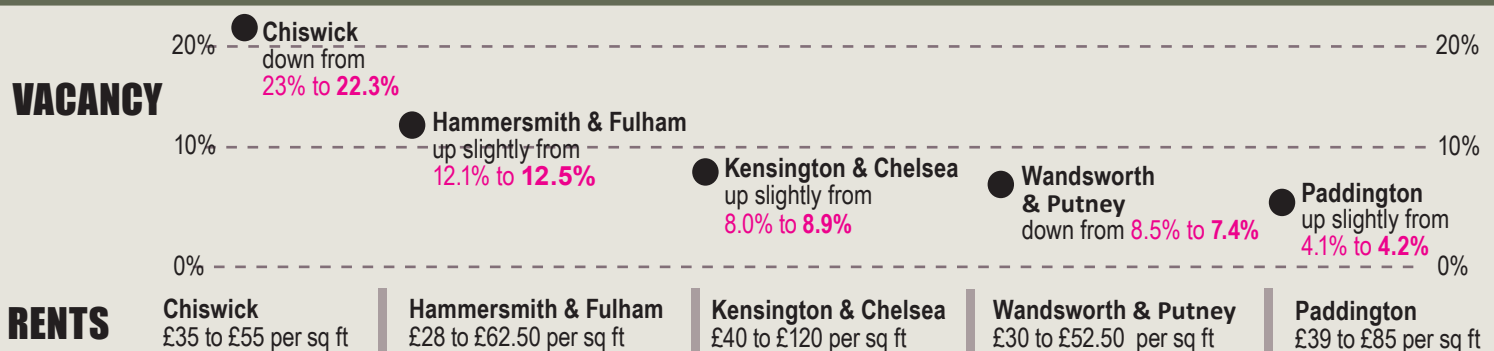
Columbia Threadneedle brought the Capital Portfolio to the market, of the **6 office buildings**, **4 are in west London**, offers are invited for the individual assets. **Mansell Court**, Wimbledon was acquired by *Korol Group*, and we understand that **Grove House**, **27 Hammersmith Grove** has exchanged contracts. **63 Kew Road**, Richmond and **Premier House**, Twickenham remain available.

KENSINGTON & CHELSEA

In Kensington *HCA International Ltd* took the **Universal Building W14** part 1st floor totalling **2,315 sq ft** at **£37.50 per sq ft** for a **10 year term**.

In Chelsea, *Bon Bon Ltd* took a lease at **Plaza 535 SW10** for **£24.83 per sq ft** for a **5 year term**.

AT A GLANCE Q3





ESG WHAT DOES IT MEAN FOR LANDLORDS & OFFICE OCCUPIERS?

Landlords & Tenants will find **Environmental**, **Social** and **Governance** considerations are increasingly important in today's environment of accountability and transparency. Collaboration between landlords & occupiers is key as we strive to achieve our **ESG goals**.

In the property industry, the **EPC ranking** has become standard and is a useful starting point on the energy efficiency aspect. However older buildings can be tricky to adapt with planning restrictions and cost considerations. The **BREEAM** rating helps further by assessing

the **Environmental & Social** element, though this is not always available with older and smaller buildings.

The **Social** and **Governance** is a little more complicated to understand. Here is a our quick guide for landlords & occupiers.

ENVIRONMENTAL aspect of **ESG** focuses on how business minimises its impact on the environment. Occupiers are increasingly looking for energy-efficient rental properties. **Environmental business practice**

- Reducing energy, using renewable energy
- Employing greener services.
- Aim for zero-waste, with facilities to encourage recycling and reduction of waste.
- Reducing emissions with LED lighting, Insulation etc.

SOCIAL aspect focuses on how a business impacts the wider society and workplace culture.

- Health & wellness, such as fitness centres on-site.
- Prioritise inclusivity in their hiring and occupier selection processes.
- Providing training and supporting health, safety and wellbeing,
- Promoting equality in the workforce with diversity and inclusivity policies.
- Investing in local community projects.

GOVERNANCE refers to the process of decision-making, reporting, and the logistics of running a business.

- Good governance can appeal to investors & occupiers and help enable a business to grow.
- Ensuring that companies are operating ethically and transparently, with a focus on fair and equal treatment of all stakeholders.
- To undertake business ethically, such as preventing bribery, promoting equality and diversity.



LANDSEC INVESTS £135M TO REDUCE EMISSIONS

As London's largest office owner they have the scale, budget and numbers to provide effective data.

In the battle to cut carbon emissions LandSec are spending **£135 million** over the next **7 years** at their **100 Victoria Street** headquarters. *Landsec* started working with Canadian company *Brainbox AI* on using artificial intelligence (AI) and how it could be used in its portfolio about a year ago. The trial of the

AI system at its **100 Victoria Street** HQ began just over three months ago. A monitoring device attached to the Building Management System of a property collects data on the building's energy use from the various systems in operation, employing sensors to collect data on factors like room temperature and occupation to minimise energy consumption.

12 Hammersmith Grove (right)

IWG TAKING OVER 55,000 sq ft AT 12 HAMMERSMITH GROVE

IWG who own workspace brands *Regus* & *Spaces* has agreed to take over **55,000 sq ft** of workspace in Hammersmith, from its ailing competitor *WeWork*.

12 Hammersmith Grove will be re-launched under *IWG's* 'Spaces' brand, offering dog-friendly private offices, with meeting rooms and co-working spaces.

WeWork's interim chief executive **David Tolley** said it planned to renegotiate "nearly all" of its leases around the world.



Thomas Sinclair, group chief development officer at *IWG*, said "it was a testament to our business model to see an increasing number of landlords & investors taking space with *IWG*."

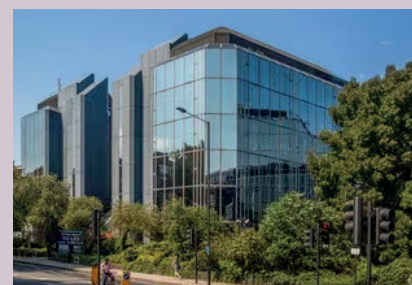
IWG recently reported record revenues of **£1.7bn**, taking advantage of its rival's financial struggles.

MRP BUYS LIBERTY HOUSE IN HAMMERSMITH

Britannia Invest A/S (Dutch subsidiary of *Britannia Invest Holland B.V.*) have finalised the sale of **Liberty House, 76 & 80 Hammersmith Road**. The purchasers *MRP*, are the property development and investment arm of *McAleeer & Rushe*.

The site comprises two six storey buildings of **90,000 sq ft**, located next to the new **Kensington Olympia** regeneration project.

Frost Meadowcroft are currently marketing the vacant offices at **80 Hammersmith Road**.



WHAT'S NEW

THE ARK RE-INVENTED!



The **ARK** is back – after an extensive refurbishment *Al Duwaliya Asset Management* have regenerated this iconic west London landmark breathing new life into a building that was truly ahead of its time in the early **1990s**. Recently relaunched, offering **135,000 sq ft** of office space over **5 floors** with **9,000 sq ft** of external terraces and of course, the building's signature crow's nest meeting room perched on the top.



Frost Meadowcroft - West London's Leading Commercial Property Agency

Frost Meadowcroft Ltd Tel: 020 8748 1200 Web: www.frostmeadowcroft.com

To unsubscribe reply to sender