

## Q4 MARKET UPDATE

Welcome to the Q4 update of 2021, giving you an up-to-date view of the commercial property market in West London. Featured in this issue: Market Summary, Take-Up, The Flexi Comeback, Kensington Developments and our 2021 Highlights in West London.

### MARKET SUMMARY

#### SUPPLY & TAKE-UP

Unsurprisingly **2021** was not a record breaking year for office take up. In **Hammersmith & Fulham**, lettings were down to less than a quarter of **2018** and **2019** levels with just over **150,000 sq ft** transacted last year compared with **195,000 sq ft** in

**2020**, fairly predictable given that working from home has been the norm during the last 18 months. The tide is turning though; the 'WFH Honeymoon' is waning, employers are telling us that they want their staff back, and to be fair, the majority of staff want to be back too, though maybe not every day of the week.



#### THE FLEXI COMEBACK

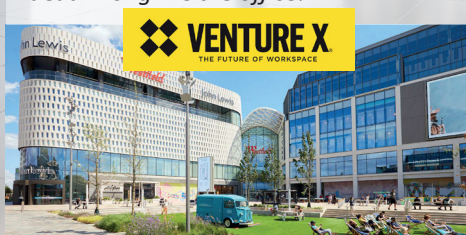
The flex market has been the quickest to capture the return to work.

IN **KENSINGTON**, in anticipation of the come back, **IWG (Regus)** took **30,000 sq ft** from our client **Columbia Threadneedle** at **Avon House**, Kensington Village W14.

Avon House interior above

IN **WHITE CITY & NOTTING HILL** we also secured **Venture X** for **Westfield London's 22,000 sq ft** at **One Ariel Way** in **White City**. The **Office Group** who took **Frogmore's United House** in **Notting Hill** from us are now reporting near 100% occupancy of their **40,000 sq ft**.

So, from little acorns, we see these smaller more agile businesses taking space in the flex market as a clear signal of the green shoots of the general office market recovery. For certain, there will be lasting changes to working practices for some, but for many the office is not dead - *Long live the office!*



One Ariel Way above

#### HAMMERSMITH & FULHAM



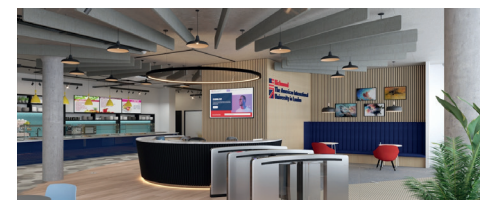
245 Hammersmith Rd above

In Hammersmith at **245 Hammersmith Road**, **Orchard Therapeutics** took **17,000 sq ft** at **£54 per sq ft** and **Imperial Tobacco** took a further **13,750 sq ft** at **£57.50 per sq ft**.

At **The Triangle**, Hammersmith Grove, **Ingeus UK Ltd** took **7,600 sq ft** for **£35 per sq ft** and **Visithealth Ltd** signed up for **8,000 sq ft** from **Elton John's** management company at **1 Blythe Road** on a **25 year lease**. **Thames Wharf Studios** performed well signing an additional **5,600 sq ft** to an existing occupier at a healthy **£62 per sq ft**.

#### CHISWICK

**2021** saw the largest deal agreed for some time at **Chiswick Park Campus** or more accurately **Building 12 Chiswick Park**. This is the new residence to **The American International University** who are taking approximately **35,000 sq ft** at an average rent of circa **£52 per sq ft**.



Richmond  
The American International  
University in London

Building 12 Chiswick Park Above

### AT A GLANCE: Q4 SUPPLY & RENTS WEST OF WEST END

#### OFFICE SUPPLY

- **Hammersmith & Fulham**  
static 10.1% to 10%
- **Kensington & Chelsea**  
up from 5.2% to 6.1%
- **Chiswick** up slightly  
from 14.4% to 14.5%
- **Paddington** up from 3.1% to 4.7%
- **Wandsworth**  
down from 6.7% to 6.1%

#### OFFICE RENTS

- **Hammersmith & Fulham**  
range from £39.50 to £60 per sq ft
- **Chiswick**  
range from £32.50 to £55 per sq ft
- **Paddington**  
range from £60 to £80 per sq ft
- **Kensington & Chelsea**  
range from £40 to £85 per sq ft





Northcliffe House above

After many years of very little new stock in the Kensington market there are now a few notable schemes that have completed delivering around **150,000 sq ft** for **2022**. Initial signs are encouraging and feedback indicates a better demand for the higher quality stock, an echo of trends we have seen in other central London markets where prime office space has outperformed poorer quality space.

**Lancer Square**, Kensington Church Street, launched late last year has recently secured interest from a single tenant on all the upper floors **24,000 sq ft** at a rent rumoured to be in excess of **£80 per sq ft**.

**The Kensington Building**, Ashby Capital's **95,000 sq ft** scheme on the corner of Kensington High Street and Wrights Lane,

have high aspirations of **c.£100 per sq ft** for the top floors and high **£80's per sq ft** for the lower floors. Due to launch and with practical completion in **March 2022**, we understand that the specification is exceptional with features including 4m ceiling heights.

The *Daily Mail Group*, who are in **Northcliffe House**, Derry Street just off the High Street, have agreed with their landlord to take a new lease on **103,000 sq ft** of refurbished space from **2024** in the same building. They will be moving out of their existing offices this year and then moving back in when completed. The deal is for **15 years** and is a significant endorsement for Kensington as an office location for this long standing occupier.

## 2021 HIGHLIGHTS...

### INTERNATIONAL SOS CHISWICK PARK

*International SOS* took **48,500 sq ft** at **Building 4, Chiswick Park** on a **10 year lease**. The *Department of Work and Pensions* signed for a total of **50,000 sq ft** in West London, taking **30,000 sq ft** in the ex *Coca Cola* HQ at **1 Hammersmith Broadway**, alongside another **20,000 sq ft** at **2-5 Lakeside Drive**.

**Universal Building**, Kensington the **70,000 sq ft** was purchased by *London Regional Properties* and is currently undergoing extensive refurbishment, marketed by Frost Meadowcroft our first letting of **5,500 sq ft** to *Superstruct*.

### ITV WOOD LANE, WHITE CITY

*ITV* signed a **13 year lease** for **120,000 sq ft** at **Broadcast House**, White City. The aim is both a cost saving operation whilst at the same time bringing employees to a single location that can accommodate the new hybrid way of working.



Q2



Q1



Q4

### LONDON & REGIONAL COLET COURT, HAMMERSMITH

The *Livingstone brothers' London & Regional* purchased **Colet Court** at **100 Hammersmith Road** from *Columbia Threadneedle*.

The **45,362 sq ft** multi-let office has been bought for **£20 million**, which represented a **4.79% net initial yield**.

The building comprises modern offices behind a Grade II-listed facade.



Q3

### ASPREY LONDON HAMMERSMITH

Hammersmith finds itself the new home to the iconic jewellers *Asprey London*. In Q3 the jewellers to the royal family & favourite of Duchess of Cambridge, signed **8,000 sq ft**, **Vencourt Place** in Hammersmith.

### FITFLOP THE FOUNDRY, HAMMERSMITH

The Foundry, Hammersmith found a new tenant in *FitFlop* who took **10,750 sq ft**, at **£56 per sq ft** on a **5 year lease**.

