



Welcome to Q1 our first update for 2024, giving you an up-to-date view of the commercial property market in west London. Featured in this issue: Market Summary, Take-Up, Q1 Headlines and the £800 million vision for Hammersmith

**MAXAR THE SPACE TECH CO. HAVE SAFELY LANDED AT OFFICES IN THE CHISWICK BUILDING** (pictured above)

**MARKET SUMMARY**

**OVERVIEW Q1**

The highlight of Q1 in west London was *Yoo Capital* securing *IWG*, the global flex office operator, for **73,000 sq ft** in the new **One Olympia** development which is due for completion next year. *IWG* operator brands include *Regus*, *Spaces* and *HQ*.

In Hammersmith and White City transaction levels remain low. In White City at **White City Place** (*Stanhope / Cadillac Fairview*) saw virtually no take up over the last year with over **250,000 sq ft** of vacant office space. Around Hammersmith, there has also been limited activity, however the Life Sciences sector is clearly homing in on the area.

**245 Hammersmith Road**, the newest building in the centre, completed in **2019**, is rumoured to be re-positioning as a Life Sciences Lab Centre. The building is already home to *Resolution Therapeutics*, biopharma company *Achilles Therapeutics* and gene and cell therapies developer, *Orchard Therapeutics*. The **242,000 sq ft** building currently has around **45% vacancy**.

Meanwhile *ARC West London* are due to complete on their new **150,000 sq ft** of lab space at **Manbre Wharf** on the riverside by the end of **2024**. Rents for fitted lab space are estimated to be around **£100 per sq ft**. *Imperial College* and *Stanhope* also operate fitted lab spaces in White City.

In Kensington, *Ashby Capital* are expecting to sign a new occupier for **8,000 sq ft** on the 4th floor of the new **Kensington Building** on the High Street. Quoting rents are c. **£100 per sq ft**.

**CHISWICK**

In Chiswick at **11 Power Road**, the former PADI School of Diving was sold to an occupier purchaser for **£1.35 million**, totalling **5,392 sq ft**. Space Tech company *Maxar*, completed **2,750 sq ft** at **The Chiswick Building** at **£42.50 per sq ft** for 1 year.

**FULHAM**

In Fulham at **34 North End Road** an office building of **2,056 sq ft** was purchased by an owner-occupier at **£880,000**. *Ocubis* agreed a deal of **4,225 sq ft** at **Bedford House** on Fulham High Street, to an undisclosed tenant for **£47.50 per sq ft**.

**PADDINGTON**

*Shionogi & Company*, the pharmaceutical company completed on **13,628 sq ft** for an undisclosed rent at **50 Eastbourne Terrace** in Paddington.

**NOTTING HILL**

At **The Studio Building**, on the Notting Dale Campus, *Louis Dreyfus* the worldwide agricultural goods company took **2,001 sq ft** part 5th floor for c **£40 per sq ft** for 3 years.



197 Kensington High Street, letting to Nurecover

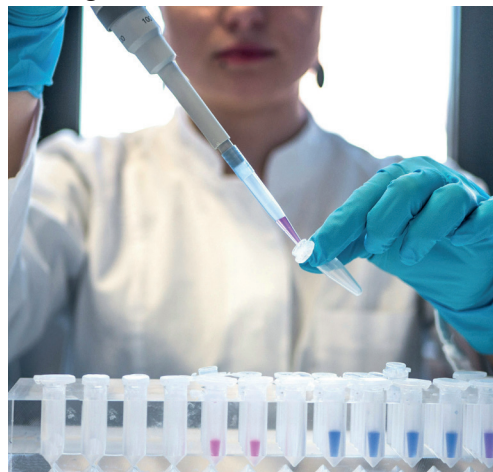
**KENSINGTON**

In Kensington the new **One Olympia** completed on **73,152 sq ft** to *IWG* the global serviced office operator, rent undisclosed. At **197 Kensington High Street** *Nurecover* the makers of portable home saunas completed on **1,294 sq ft** for **£90 per sq ft** on **3 year term** for fitted space.

**HAMMERSMITH**

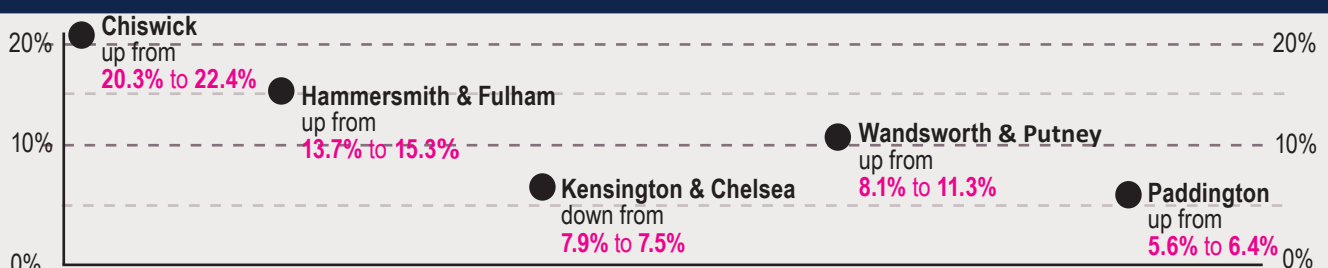
At **3 Angel Walk** in Hammersmith, a deal of **3,744 sq ft** was agreed for **£35 per sq ft** for **5 years** to *Women's Pioneer Housing*, the organisation set up in 1920 by suffragists, led by *Etheldred Browning*, to provide affordable housing for professional women. **Thames Wharf Studios** continues to perform well with a deal of **1,611 sq ft** on the 1st floor for **£59.50 per sq ft** on a **3-year term** to *Alex Reynier Ltd*. Just off Fulham Palace Road at **Farriers Yard**, *Thomas Murray*, *Global Risk Intelligence* re-gearred on **4,743 sq ft** at **£43 per sq ft** for **3 years**.

*Columbia Threadneedle* sold **27 Hammersmith Grove** to *Central & Provincial Properties* (along with **63 Kew Road** to *Urbana Partners*), for a total of **£27 million**. *Frost Meadowcroft* are marketing **Hammersmith Grove**. Read more in Headlines...



**AT A GLANCE Q1**

**VACANCY**



**RENTS**

Chiswick	Hammersmith & Fulham	Kensington & Chelsea	Wandsworth & Putney	Paddington
£35 to £55 per sq ft	£28 to £62.50 per sq ft	£40 to £120 per sq ft	£30 to £52.50 per sq ft	£39 to £85 per sq ft



## THE BIG LANDLORD QUESTION... TO FIT OR NOT?

### CAT A+, CAT B, FITTED OR READY TO WORK

Whatever we call it, this is without doubt one of the biggest changes in the office market. Our research shows that nearly **30%** of all the office requirements circulated in the central and west London office markets for up to **5,000 sq ft** in the last 6 months were specifically looking for fitted space. Last year we reported that nearly **50%** of Frost Meadowcroft's leasing transactions were done on fitted space (*this did include previous tenants fitout*).

With the economic uncertainty and the **WFH phenomena** many smaller businesses have stayed longer in the **serviced/flex office** sector or have taken more space where they are, but there comes a point when companies know what they want and value their own identity by having their own office. They came to the office market expecting the same service, quick short term contracts, no desire to spend their limited capital and time on fitting out an office.

These occupiers are becoming more prevalent and don't mind paying a higher rent for the space or being offered less rent-free in favour of a fitted office. The expectation is for a plug & play product with the ability to move in quickly.

Promises from landlords with unfitted floors offering a fitout if required are generally ignored in favour of the spaces that are done and ready to occupy.

“ **50%** of Frost Meadowcroft's leasing transactions in 2023 were done on fitted space ” The **serviced/flex office** market has taken a larger and more important share of the office market and is definitely here to stay. It offers fantastic flexibility, and a good level of services and amenities to smaller businesses, however, it can become expensive when staff numbers reach a certain level or when business expansion is more stable. Traditional landlords are now successfully bridging the gap between the serviced office and the traditional lease by offering a more turn-key solution on larger spaces in order to secure occupiers in a challenging market.



## SALES & INVESTMENTS

### THE ASSEMBLY LONDON, HAMMERSMITH SOLD

*Knight Frank Investment Management* completed the purchase of **The Assembly London**, 77 Fulham Palace Road in Hammersmith for a reported **£52m** equating to **£225 per sq ft** on behalf of Dubai investors. The **225,000 sq ft** campus is made up of 3 main buildings, **Farriers Yard, Smiths Square, and Foundry**. Works are underway on the **Foundry** common areas to offer a new, best-in-class reception, atrium and roof terrace. *Frost Meadowcroft* is marketing the office space.

### COLUMBIA THREADNEEDLE SELLS TWO WEST LONDON OFFICE BUILDINGS

*Columbia Threadneedle* has also sold **63 Kew Road, Richmond** and **27 Hammersmith Grove, Hammersmith** for a total of **£24m**. *Urbana Partners* purchased Kew Road and *Central & Provincial* bought the **63,000 sq ft** office building at **27 Hammersmith Grove** for a reported **£16.5m**.



## £800M VISION FOR HAMMERSMITH'S NEW TOWN CENTRE

Earlier this year, the council released a **Supplementary Planning Document (SPD)** setting out a vision for the regeneration of **Hammersmith** up to **2035**. The key to this is the removal of the existing flyover to be replaced by a flyunder.

The scheme would remove the current barrier of the **A4** between the north and south areas of **Hammersmith** linking these areas down to the **River Thames**. This would be a major transformation and a boost for Hammersmith, its residents and businesses. Needless to say, this is a long-term project and will require significant funding from development as well as other sources. The cost of constructing the flyunder is estimated to be **£811m**.

The council is eager to discuss plans with **TfL** and the **GLA** in order to develop a feasibility and implementation plan to progress the project to its next stage. The next steps will be a **draft SPD** for public consultation and engagement with landowners, developers, key stakeholders and businesses.