



market update Q1

1st QUARTER 2017

Welcome to the first update of 2017, giving you an up-to-date view of the office, investment & development market west of the West End. Included in this issue: office supply, current rents, notable office sales, planning applications and consents.

MARKET SUMMARY

In Q1 *Lee Cooper Jeans* strolled into Hammersmith taking 5,000 sq ft at The Aircraft Factory at £55 per sq ft. *Firefly* also expanded to take another 5,000 sq ft in the former Edwardian factory in Cambridge Grove. This leaves just 10,000 sq ft from a total of 77,000 sq ft.

Take-up of offices reached 80,000 sq ft in Hammersmith and Fulham. If this quarterly rate continues or increases, 2017 take-up should see a marked improvement on 2016 where Brexit jitters affected Q2 and Q3. 30,000 sq ft of this take up was *Medidata* taking the top 2 floors of *U&I's* new 12 Hammersmith Grove at a rent of £59 per sq ft. *Medidata* provide the software for clinical trials. Another technology firm, *Gambit*, also expanded this quarter, taking a further 5,000 sq ft in Colet Court, 100 Hammersmith Road for £54 per sq ft.

Take-up was down in Chiswick but there were a couple of technology deals as *Pokemon*, longstanding clients of *Frost Meadowcroft*, took a further 28,000 sq ft at Chiswick Park and a second arrival at the newly completed The Works at Turnham Green Terrace Mews was *Ksubaka*, paying £48.50 for the 2,000 sq ft top floor. This is a record rent for Chiswick outside Chiswick Park.

Another record rent was set in Ravenscourt Park at the iconic Clockwork Building where *Cult Wine* leased the 4,500 sq ft 5th floor. This building was also nominated for the *Office Agents Society* Property Awards. The Clockwork Building was originally constructed by *Richard Seifert*, an architect much maligned by the traditionalists in the 1960's and 1970's for his brutal, modernist towers such as the *NatWest* Tower but he also did some excellent work as seen with *Space House* off Kingsway. This nomination recognizes how *Stone*



Real Estate's refurbishment has repositioned the building whilst celebrating *Seifert's* high ceilinged, vaulted concrete frame.

Office supply at a glance:

- **Hammersmith & Fulham** down from 11.4% to 7.8%
- **RBK&C** down from 1.5% to 1.2%
- **Paddington** down from 3.2% to 3.1%

Although office supply in Hammersmith & Fulham decreased from 11.4% to 7.8% this supply does give an excellent choice of buildings for tenants and a much wider range of rents than in tighter supply years such as 2015. Offices are available for a range of rents from £40 to £59 per sq ft in the Borough. There continues to be an undersupply of available offices in RBK&C with availability reduced to just 1.2% from 1.5% in Q1 2017. Paddington supply has reduced from 3.2% to just 3.1% but this will increase in Q2 as the 22,000 sq ft extension to Great Western Studios in W2 is completed.

Q1 HEADLINES

GREAT WESTERN STUDIOS Notting Hill, W2 extended by 22,000 sq ft



Due to the high demand of offices in Notting Hill two additional floors are being constructed at Great Western Studios that will be completed in June this year. The new third floor and Penthouse will have panoramic views of the Grand Union Canal and Westway.

Great Western Studios is currently made up of over 100 studios for artists, sculptors and other creative industries that run around a central atrium that also serves as a communal space. Each workspace has high ceilings, polished concrete floors and communal access to the garden, courtyard and a café by *Farm Girl*.

NOTABLE SALES

WARWICK BUILDING, KENSINGTON VILLAGE

The 79,506 sq ft Warwick Building in Kensington Village was sold to AXA Investment Managers. The office building was bought from Legal & General for £56.6m (£712 per sq ft). The Warwick Building is the former Victorian Whiteley's depository, a place where Victorians might store the chaise longue before heading to India! The building is let to French advertising firm *Publicis*, and there is planning consent to add two further storeys to provide up to 25 new residential flats.

OLYMPIA CONFERENCE CENTRE :

Just north of Kensington Village, Capco sold its exhibitions business which includes the Olympia Conference Centre in Hammersmith Road for £296m to a consortium of German institutional investors and Yoo Capital, a UK investor.

VAUXHALL SQUARE :

Vauxhall Square in Nine Elms has sold to Chinese developer R & F Properties for £158m. This is a planned 1.5m sq ft mixed-use scheme on a 3.4-acre site which will feature 245,000 sq ft of offices, 578 apartments, 33,500 sq ft of retail, one hotel, a 50-bedroom hostel for the homeless and 40,655 sq ft of leisure space



PLANNING APPLICATION SUBMITTED FOR LANDMARK HOUSE & THAMES TOWER



Architects, *Rogers Stirk & Harbour* (formerly *Richard Rogers*) have applied for the demolition of the existing Landmark House and Thames Tower office buildings in Blacks Road in central Hammersmith next to the A4 and St Paul's Green and the erection of a new building split into three sections. The first two elements are a 6 storey and a 12 storey office building, while the third element is a 28 storey, 288 room hotel. The offices will comprise 170,000 sq ft. At ground and basement floor levels there are planned shops and double height cultural space making this area fully open to the public from all sides.

The pair of 1970's office buildings were originally the HQ for *Diageo* (formerly *United Distillers*) who relocated to the former *Guinness* factory site in Park Royal and *BOC* former offices. The developer is *Eastern & Oriental Berhad* who are listed on Malaysia's stock market.

