



Welcome to the fourth update of 2019, giving you an up-to-date view of the commercial property market in West London. Featured in this issue: Market Summary, Take-Up, Earls Court Sale and Planning & Developments Review of 2019

MARKET SUMMARY

SUPPLY & TAKE-UP

HAMMERSMITH & FULHAM

The world's largest cosmetics company, *L'Oréal*, pre-let a huge **124,000 sq ft** part of the next phase of **White City Place** just before Christmas. This is a clear sign that even a French company sees some certainty around the Brexit issue following Boris Johnson's large majority general election victory in December, thanks in the main to the swing of former safe Labour seats in the north of England.

L'Oréal have signed for the ground and upper 5 floors of the 11th floor **240,000 sq ft Gateway Central** building that will



Cheryl Cole (above)

now be constructed for 2023. They will relocate their 1,000 employees from **255 Hammersmith Road** overlooking Hammersmith Roundabout and the Broadway. Allies and Morrison are the architects of the building which will include a 250-person roof terrace.

Another sign of improving confidence in west London this quarter was the sale of the **292,000 sq ft Kings Mall Shopping Centre** by *Schroder UK Real Estate Fund* to the parent company of *IKEA*. They will open a town-centre anchor store in the revamped shopping centre. The purchase price and future investment in the shopping centre has been reported as **£170m**.

Office supply in Hammersmith & Fulham continues its downward trend, from **7.6%** to **7.2%** in Q4. This level is nearly half that of its peak at **14.5%** in Q2 2016. If supply reduces further in 2020, rent-free periods will begin to reduce and rents increase.

YOOBIC paid **£56 per sq ft** as they expanded to circa **9,000 sq ft** in *Frost Meadowcroft* client, *Axa's Smith's Square* at the front of the **Assembly** at 77 Fulham Palace Road.

TAKE-UP

In **2019** take-up was **638,183 sq ft**, a very similar level to that in **2018 - 676,721 sq ft**, a record year and 3 times that of the take-up in **2016 - 201,000 sq ft**.

OFFICE RENTS increase in White City, north of Hammersmith & Fulham and at Chiswick Park. Unchanged elsewhere.

- **Hammersmith & Fulham** range from £39.50 to £58 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 £70 per sq ft

The Assembly Rooms interior CGI



PUTNEY

THE ASSEMBLY ROOMS

Frost Meadowcroft client, *Thackeray Estates*, are constructing a new media style office: **The Assembly Rooms** on Putney High Street.

Thackeray Estates have begun pre-marketing the new **23,000 sq ft** office building on Putney High Street, converted from a former cinema. Featuring high ceilings, roof terrace, 30 cycle bays and trendy exposed services, completion is scheduled for Summer 2020. **The Assembly Rooms** were built in the 1870s and converted into the **Princess Picture Palace** in 1911, a one-screen venue with 350 seats. It was re-named **Assembly Rooms Cinema** in 1913 and closed in 1920.

WHITE CITY

Rents are already beginning to rise in **White City**, with **£56 per sq ft** paid by the Singaporean investment company, *Mapletree*, for the **14,600 sq ft** part 4th floor of **West Works** at **White City Place**.



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

OFFICE SUPPLY

mostly reducing

- **Hammersmith & Fulham** down from 7.7% to 7.2%
- **Kensington & Chelsea** down slightly from 2.3% to 2.2%
- **Chiswick** up slightly from 5.1% to 5.2%
- **Paddington** static at 3.7%
- **Wandsworth** up from 2.7% to 3.1%

Q4 HEADLINES

DELANCEY BUY EARLS COURT FOR £425M

In Q4 *Delancey* agreed to buy *Capital & Counties'* interest in **Earls Court** for **£425m** whilst agreeing a back-to-back deal with the *London Borough of Hammersmith & Fulham* to buy back their council estates;

Gibbs Green and *West Kensington*. Having sold these estates, *Delancey* are now likely to change the decade-old masterplan that included mostly luxury housing with only 20% affordable. It is probable the new masterplan will include more private rented sector (PRS) and affordable housing. Council leader Stephen Cowan,

has said that the area needs "faculty housing, genuinely affordable housing and corporate housing for businesses" Sadiq Khan, Mayor of London, has previously called for more social rented & affordable housing at the scheme. In 2015 **Earls Court** was valued at **£803m**, nearly double the current price.

2019 PLANNING & DEVELOPMENTS

THE NEW OLYMPIA LONDON OLYMPIA

Yoo Capital and *Deutsche Finance* were granted planning consent to redevelop the 133-year-old **Olympia London** site into an arts, entertainment, events and creative business quarter. The 14-acre site will include **670,000 sq ft** of office space. The project starts this year and is scheduled to complete in **2024**.



Q1

IMPERIAL COLLEGE WHITE CITY

Imperial were granted approval by Hammersmith & Fulham for their 14-acre master plan, **2.5 million sq ft** scheme in **Q3 2019**. Around **2 million sq ft** of the space will be dedicated to research and business uses as well as **373 new homes**, **1 new hotel**, retail, cafes and restaurants. The site is just south of the Westway in Wood Lane opposite the former BBC buildings at **White City Place** and north of *Berkeley Homes'* White City Living scheme and the extended Westfield London shopping centre.



Q3

THE CUCUMBER PADDINGTON

Q2



Westminster Council approved a new 42-storey residential skyscraper, dubbed the **Cucumber**. Its size and location, on a key site between Harrow Road and the north side of Paddington Basin next to the Westway means it will become a looming landmark across west London. A publicly accessible Skybar is also planned for the top two floors of the tower.

The Cucumber was originally given consent and reported on by us in **Q4 2011** but the developers, *European Land & Property*, made changes and needed fresh planning approval. The main difference is the replacement of the hotel element of the scheme with more flats.



PADDINGTON SQUARE PADDINGTON

The construction of *Sellar's Paddington Square* to include **360,000 sq ft** of offices began in **2019** with the demolition of the former **Royal Mail Sorting Office** at 31 London Street and adjacent buildings on Praed Street. Piling and basement box works are well underway for the creation of the new transport infrastructure and four levels of retail, located directly beneath the office building and public square. The scheme should be complete in **2022** and includes a new Bakerloo line entrance and ticket hall.



Q2

WEST KING STREET REGENERATION HAMMERSMITH

Scaffolding was erected and demolition began at the empty Brutalist 1970's **Hammersmith Town Hall Extension** in King Street.

Planning consent was granted in **2019** to create a new civic hub on the site of the cinema and the **Town Hall Extension** at the western section of King Street near Ravenscourt Park station. The proposal, which incorporates the refurbishment and extension of the **Grade II Listed Town Hall**, is a joint venture between *A2 Dominion* and the *London Borough of Hammersmith & Fulham*.



Q4