

Welcome to the Q1 & Q2 update for 2022, giving you an up-to-date view of the commercial property market in west London. Featured in this issue: Market Summary, Take-Up, Q1 & Q2 Headlines, Carallon Ltd letting in Chiswick, Investment & Planning.

MARKET SUMMARY

SUPPLY & TAKE-UP

West London has seen levels of vacancy over 2022 stabilising following a consistent annual rise over the last 3 years. Compared to central London, where the office market has been punctuated by some large, high profile occupier transactions, the western region has seen a more measured take-up. In **Kensington & Chelsea, Hammersmith & Fulham** and **Chiswick**, the combined take-up in this market during the first half of the year was just **112,000 sq ft** in **41 transactions** at an average of under **5,500 sq ft**. Removing the **33,000 sq ft** deal to *Carallon Ltd* in Chiswick, this would show an average deal size of just over **2,000 sq ft** which illustrates the lack of larger occupier transactions at present.

HAMMERSMITH

In Hammersmith, the global brand experience agency *Jack Morton Worldwide* has leased **10,664 sq ft** of offices for **£58 per sq ft** on the 4th floor of **The Foundry**, the central building within *Axa's Assembly* office scheme at **77 Fulham Palace Road**.

The Life Sciences sector continues to feature in the west London office market. At **245 Hammersmith Road**, *Legal & General's* **242,000 sq ft** development, terms have been agreed for a letting on **6,500 sq ft** of fully fitted lab space joining existing occupiers *Achilles Therapeutics* and gene and cell therapies developer, *Orchard Therapeutics*.

WHITE CITY & NOTTING HILL

At **Westfield London**, in Shepherd's Bush, *URW* have leased the former **House of Fraser Department Store** to the *Ministry of Sound* as a flexi workspace with a multi-studio fitness space, a roof top bar and restaurant. Construction of the **115,000 sq ft** begins later this year for an opening in **Q1 2024**. This will add a further flex space offering on the estate following the letting *Frost Meadowcroft* secured for *Westfield* last year at **One Ariel Way** to *VentureX*.

In **Notting Dale**, W11, the area opposite *Westfield London*, *Rodial*, the beauty company, has leased the **5,023 sq ft** 6th floor of **The Studio Building** owned by *Frost Meadowcroft* client, *Adena*

Rodial

Megan Fox the face of Rodial beauty company

Property Investments at a quoting rent of **£45 per sq ft**.

Also in Hammersmith, two large hotel schemes and a purpose-built student block are funded and are now underway.

Dominvs Group had their scheme approved for a **713-bed purpose-built student accommodation** at **181 Talgarth Road**, formerly the site of the Magistrates Court. *Read more in Investment & Planning...*

LaSalle Investment Management, on behalf of a separate account client, has funded the **£50 million** development of Premier Inn hotel with 189 bedrooms. It has been constructed in the town centre at **229-243 Shepherd's Bush Road**, formerly the **Brook House** office building. *Read more in Investment & Planning...*

CHISWICK

In Chiswick, *Carallon Ltd*, the lighting technology company, took the entire **33,000 sq ft** at the **272 Gunnersbury Avenue** office building, overlooking Chiswick Roundabout at a rent in the **high £30's per sq ft**. *Read more in Headlines...*

ACTON

Further west in Acton, *Currys (Dixons Carphone Warehouse)* have fully adopted the flexible working policy by giving up their **150,000 sq ft** HQ at **1 Portal Way** in Acton in favour of a deal with *WeWork* offering staff workspace across their portfolio. *Frost Meadowcroft* were previously advising *Currys* on a new HQ pre-let in Acton with their landlord's *Imperial College* before the pandemic demonstrated that their business could operate efficiently working remotely. *Frost Meadowcroft* are now advising on disposal options for their former HQ at **1 Portal Way, Acton**.

PADDINGTON

In Paddington it has been announced that *Sellar's Paddington Square* (nicknamed **Paddington Cube**) is fully pre-let with **350,000 sq ft** to *Capital Group, Kingfisher* and *DS Smith* for around **£80-90 per sq ft**.

AT A GLANCE: Q2 SUPPLY & RENTS WEST OF WEST END

OFFICE SUPPLY

- ▼ **Hammersmith & Fulham** down from 12.5% to 11.3%
- ▲ **Kensington & Chelsea** up from 7.8% to 8.8%
- ▲ **Chiswick** up slightly from 17.1% to 17.6%
- ▼ **Paddington** down from 6.1% to 5.6%
- ▲ **Wandsworth** up slightly from 6.6% to 6.8%

OFFICE RENTS

- **Hammersmith & Fulham** range from £27.50 to £62.50 per sq ft
- **Kensington & Chelsea** range from £40 to £90 per sq ft
- **Chiswick** range from £30 to £59.50 per sq ft
- **Paddington** range from £39 to £75 per sq ft
- **Wandsworth** range from £30 to £52.50 per sq ft



Southbank lighting by Carallon

272 GUNNERSBURY AVENUE DEAL BOOSTS THE CHISWICK MARKET

272 Gunnersbury Avenue deal to Carallon Ltd provides a boost to the Chiswick market. This **33,000 sq ft** office building was let for a rent in the **high £30's per sq ft**, in its entirety to Carallon Ltd, and has been fully refurbished to offer best in class accommodation, benefitting from exposed services, multiple roof terraces and excellent ESG credentials. Carallon Ltd who have relocated from Ealing have consistently grown in west London is a company of designers, software developers and hardware engineers specialising in entertainment technology.

FULLY LET ASSEMBLY ROOMS, SCHEME IN PUTNEY

In March, Thackeray Group let **Assembly Rooms** on Putney High Street to Gallagher Limited for **10 years** at a record Putney rent of **£52 per sq ft** overall. **Assembly Rooms** completed in **August 2021** and is the first new office development in Putney for over a decade, providing **26,624 sq ft** of office and retail space over basement, ground and three upper floors, as well as a gym and panoramic roof terrace to ensure a healthy work-life balance.

Frost Meadowcroft and BNP Paribas acted on behalf of Thackeray Group.



Assembly Rooms, Putney

INVESTMENT & PLANNING...



DOMINVS GROUP 181 TALGARTH ROAD, HAMMERSMITH

Dominvs Group had their scheme approved for a **713-bed purpose-built student accommodation** (PBSA) scheme on their site next to **The Ark** and Hammersmith flyover at **181 Talgarth Road**, formerly the site of **The Magistrates Court**.

Permission had previously been granted in **December 2020** to deliver two new hotels on the site. However, following strong demand from Higher Education Institutions, the north of the site has been revised to provide high-quality PBSA.

359 of the student rooms will be provided at affordable rents capped by the Mayor of London and advanced discussions are in place with Imperial College London to take the majority of beds.

The scheme has been designed by renowned architects **Rogers Stirk Harbour + Partners (RSH+P)**, who also designed **Dominvs Group's** 400-room Premier Inn hotel scheme at the southern end of this site.

LASALLE INVESTMENT 229-243 SHEPHERD'S BUSH ROAD

LaSalle Investment Management, on behalf of a separate account client, has funded the **£50 million** development of another Premier Inn hotel with 189 bedrooms. It has been constructed in the town centre of Hammersmith at **229-243 Shepherd's Bush Road**, formerly the **Brook House** office building. The scheme comprises a **Bar & Block** restaurant and a **Costa Pronto** as well as the **Premier Inn** hotel.

The site was bought from **BMW (UK) Trustees**, managed by **Legal & General Investment Management**, which was retained as the development manager.



ROMULUS 642 KINGS ROAD, CHELSEA

The west London investor & developer **Romulus** has put a rare mixed-use trophy asset on London's famous King's Road on the market. Romulus are seeking offers over **£10.1 million** with a **5% net initial yield**. The property fronts the King's Road and comprises **8,169 sq ft** including a retail unit on the ground floor, an office on the first floor leased to **Onside Law**, with three residential flats on the second & third floors.

