

frost
meadowcroft

2nd QUARTER 2019



market
update Q2

Welcome to the second 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, Chiswick Cinema opening date & Kensington take-up by sector study.

MARKET SUMMARY

TAKE-UP

HAMMERSMITH & FULHAM (H&F)

Jennifer Lopez



 LI & FUNG

 GLOBAL BRANDS
GROUP

Office take-up in the Borough was its highest ever at **220,590 sq ft** due to several large lettings, reducing supply to **7.7%** from **8.7%** in 3 months.

OLYMPIA (H&F)

WeWork took another building in the Borough, **Avon House**, a **30,000 sq ft** office building in **Kensington Village** near Olympia that is owned by *Frost Meadowcroft* client, *Columbia Threadneedle*. On the same estate *Arrival*, the electric delivery vehicle company, expanded to **45,000 sq ft** in **Beaumont House**.

Kensington Village is a gated campus of former Victorian warehouses with a green, gym and café in the centre of the campus. It was originally the Depository for *Whiteley's*, the first department store in the UK, established in 1863 as a 'fancy goods' shop owned by *William Whiteley* in Westbourne Grove.

Avon House, Kensington Village



WHITE CITY (H&F)

The fashion company *Global Brands Group* and its sister company, *Li & Fung* signed a lease at **£52 per sq ft** to relocate their European headquarters to the **50,500 sq ft** 5th floor of the **West Works Building**, White City Place. **West Works** is one of the former *BBC Buildings* in Wood Lane developed by *Stanhope*, *Mitsui Fudosan* and *AIMCo*.

Global Brands Group works with fashion brands such as *Calvin Klein* and manages the 'brands' of celebrities such as *Jennifer Lopez* and *David Beckham*. *Li & Fung* is a Hong Kong based multinational corporation, managing supply chains for brands and retailers worldwide. Clothing makes up 2/3 of its business.



Kings House

HAMMERSMITH (H&F)

In Hammersmith town-centre, *Hyperoptic* the optical fibre provider, leased **18,400 sq ft** on the 2nd and 3rd floors of *Frost Meadowcroft* clients, *Kier* and *Investec* new **Kings House** at 174 Hammersmith Road at a rent of **£52 per sq ft**.

AT A GLANCE SUPPLY & RENTS WEST OF WEST END

OFFICE SUPPLY

Reducing substantially in most Boroughs.

- **Hammersmith & Fulham** down from 8.7% to 7.7%
- **Kensington & Chelsea** down from 2.3% to 1.7%
- **Chiswick** down from 8.9% to 8.1%
- **Paddington** down from 4.2% to 3.8%
- **Wandsworth** up from 2.3% to 2.6%

OFFICE RENTS

- **Hammersmith & Fulham** range from £39.50 to £58.00 per sq ft
- **Chiswick** range from £32.50 to £52.50 per sq ft
- **Paddington** range from £60 to £80 per sq ft
- **Kensington & Chelsea** range from £40 to £70 per sq ft

CHISWICK

Discovery Channel renewed their lease at the **100,000 sq ft Building 2**, **Chiswick Park** and *MicroStrategy* leased the **9,250 sq ft** ground floor of **Building 10** at **£52.50 per sq ft**. There have been 4 lettings this quarter at *Frost Meadowcroft* client *Helical Bar's Power Road Studios* including the **7,500 sq ft** letting to *So Energy* at **£43 per sq ft**.

KENSINGTON

At **127 Kensington High Street**, *Spaces*, the co-working company has leased **54,000 sq ft**. Co-working remains the dominant sector of the borough in terms of take up.

Q2 HEADLINES

CHISWICK'S FIRST CINEMA SINCE 1933



CGI of The Proposed Cinema on Chiswick High Road

The **Chiswick Cinema** has announced that the expected new opening date is Autumn/Winter 2020. Works have started and the cinema has now sold all of its initial founder memberships.

In addition to the 5 screens there will be an exclusive Members' bar with a private dining and party room. Programming will include a mixture of current releases, family screenings and a broad range of events including theatre, visual arts, music events, opera, musical theatre and dance.

The site is the former *Rambert Dance Company building* which was sold by *Frost Meadowcroft* to the cinema. *Rambert* moved to a larger, purpose-built venue on the South Bank.

In 1911 there was an **Electric Cinema** on Chiswick High Road at the junction of Duke Road. It had a sliding roof which would be

operated during the interval so that 'four air could be released'. It showed **Oliver Twist** and **Showboat** in the 1920's but suffered financially and closed in 1933.



Current building, previously home to the Rambert Dance Company



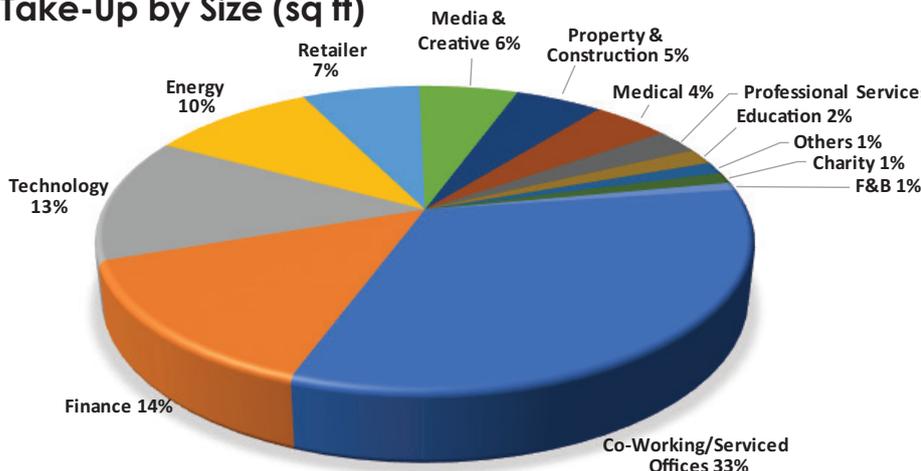
The original Chiswick Electric Cinema, closed in 1933

TAKE-UP BY SECTOR

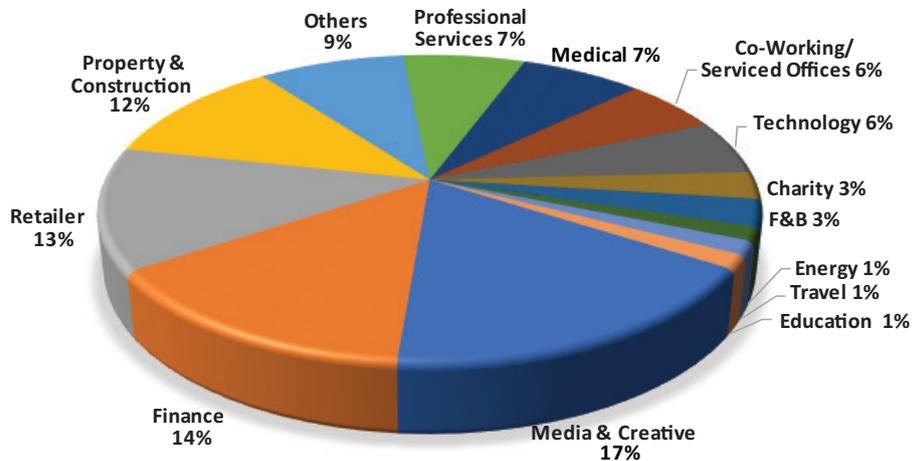
Royal Borough of Kensington & Chelsea (RBKC)

Our research of take-up over the last year shows that the amount of take-up continues to be dominated by the co-working/serviced office sector. This sector leased **33%** of the total space taken in the Borough from Q2 2018 to Q2 2019 including **54,000 sq ft** leased by *Spaces* at **127 Kensington High Street**. Finance was the next largest sector at **14%** whilst technology companies such as *Talk Talk* and *App Nest* took **13%** of the space. The amount of space taken by technology companies has substantially increased compared to previous years.

Take-Up by Size (sq ft)



Take-Up By Number of Transactions



In terms of the number of leasing transactions, media, creative and artistic were the largest sector accounting for **17%** of transactions followed by finance at **14%**.

This research illustrates how the music industry, the once dominant sector in the Borough, has now largely migrated east to Kings Cross. There are still numerous media/creative companies as well as artists taking space in the Borough, though mostly in smaller buildings.