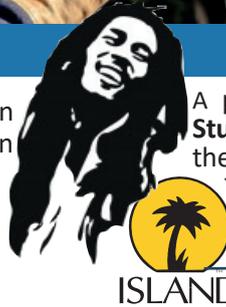




BLUE PLAQUE @ISLAND STUDIOS

Welcome to the **Q3** 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, Q3 Headlines, Karma Kitchen's Acton purchase, Investment & Planning and more...



A plaque was unveiled for *Island Records* at *Island Studios*, St. Peters Square. The event was organised by the *Nubian Jak Community Trust* along with H&F Council. The building is now home to *Lifschutz Davidson Sandilands* architects & *Frost Meadowcroft*.
Read more on our website...

MARKET SUMMARY

SUPPLY & TAKE-UP

Results of the **Q3 2022 RICS UK Commercial Property Survey** point to a clear weakening in market activity. On the occupier side, reported overall tenant demand fell. The decline ends **5 successive quarters of growth**, with virtually all parts of the UK seeing a downward trend for tenant demand in office and retail space. **"90% of respondents"** expect businesses to scale back some of their office footprint over the next year.

Prime office rents are predicted to remain broadly flat over the year ahead, as opposed to the increase previously predicted. The outlook is more negative for the secondary, non-prime, office market. Meanwhile, in the flex market *IWG* reports **25% higher Q3** revenues as a result of an increasing move to hybrid working and the increasing effects of economic uncertainty.

In **Q3** the investment market survey reported a decline in buyer enquiries, representing the weakest return since **Q2 2020**. For secondary offices in London, close to **60%** of respondents are predicting a value decline and over **80%** of respondents now believe that the market is in some stage of a downturn.

The 12-month outlook shifted markedly for capital values. Projections for prime office values turned negative, with the net balance falling to **-21%** from **+15%** last quarter.

Tarrant Parsons, RICS Economist, said in a statement: *"Deteriorating conditions in the UK economy, higher interest rates, and the prospect of more to come, are now clearly weighing on investor demand"*.

PUTNEY

In Putney the **Assembly Rooms** sold to an undisclosed overseas investor in August for **approx. £31 million** with a net yield of **4.5%**.
Read more in Investment & Planning...

KENSINGTON & CHELSEA

The highlight deal in Kensington & Chelsea was in Knightsbridge **23,500 sq ft** in **Hoopers Court** part of the **Knightsbridge Estate**, let to *Investindustrial*, one of Europe's leading independent investment groups at a rent of **£89.50 per sq ft**.

In Kensington *OCL Ltd* took **4,460 sq ft** at **£35.00 per sq ft** in the **Universal Building W14**.

In Olympia, *Yoo Capital* secured a pre-let of **62,000 sq ft** at **One Olympia** to *Alpha Plus*, the UK's second largest private education business.

ACTON

In Acton the co-working kitchen guru: *Karma Kitchens* finalised the purchase of **31 Coville Road** in total **20, 585 sq ft** for **£4.825 million**.
Read more in Headlines...

HAMMERSMITH

On the riverside in Hammersmith **Thames Wharf Studios** agreed a 10 year lease for **7,249 sq ft** at **£59.50 per sq ft** to *Science UK Limited*. The iconic riverside office scheme is still demanding some of the highest rents in Hammersmith.

Kings House, Hammersmith Road let **2,949 sq ft** for **£50 per sq ft** to *Safilo UK Ltd*, an Italian eyewear designer/manufacturer, with current designer wear by David Beckham, Jimmy Choo and Boss.

WHITE CITY & NOTTING HILL

At the **Notting Dale Campus W11** in Notting Hill, *Adena Property* have had a good quarter with the **George Building** 4th floor letting to *FXWL Ltd* of **5,638 sq ft** at **£44 per sq ft** and at **The Studio Building** a letting of part 3rd floor **3,229 sq ft** to *Polestar* at **£40 per sq ft**. Also in **The Yellow Building** *LMax Group* a global financial tech company took **7,191 sq ft** at **£45 per sq ft**.

In White City at **WestWorks**, two significant deals were secured. *Gravity Media* took **29,120 sq ft** at **£57.50 per sq ft** and *ME+EM*, the luxury fashion label, took **14,000 sq ft** in the same building, moving from Notting Dale.

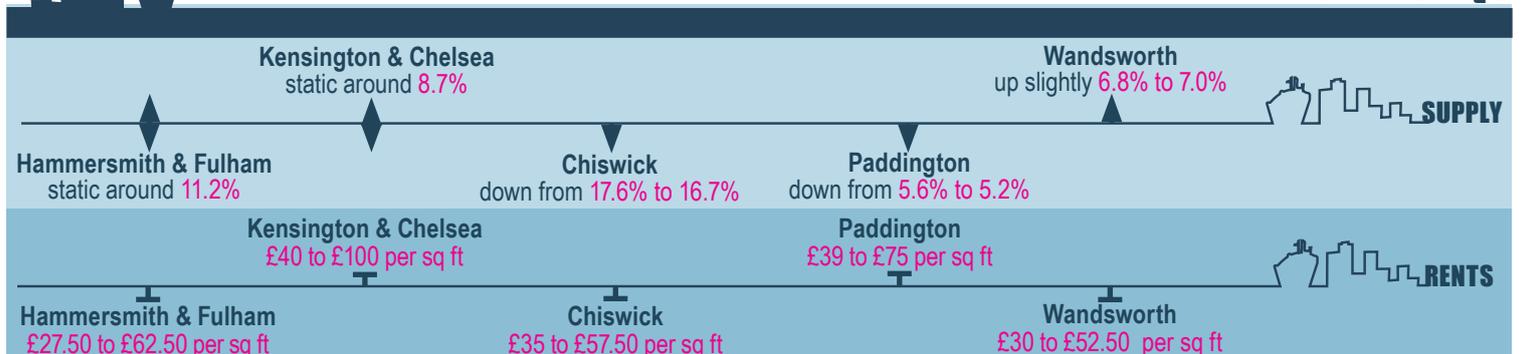
PADDINGTON

In Paddington rents remain at a healthy market value. At **50 Eastbourne Terrace**, *St James Place* have taken **9,900 sq ft** on the 5th floor at a rent in the late **£80s**, this follows an earlier letting on the 1st floor to another occupier at **£79.50**. Also **10 Eastbourne Terrace** of **4,483 sq ft** at **£65 per sq ft**.



David Beckham eyewear, made by Safilo UK Ltd

AT A GLANCE Q3





Imperial College London



IMPERIAL COLLEGE AND YOO CAPITAL

PARTNER FOR SHEPHERD'S BUSH MARKET LIFE SCIENCES INCUBATOR

A new partnership with *Yoo* and *Imperial College* sets out the plan for a **Life Science Incubator** on the **Old Laundry Yard** site and is set to be the largest of its kind in London, providing lab space and the infrastructure for local start-up enterprises to grow. This responds to an increasing demand for more purpose built incubator labs and the take up we have already seen in **White City** and *Imperial's Scale Space* development. The Market is one of the area's best known features with a unique character known for its tradition and diversity. *Yoo Capital* has committed to support and invest in the Market and its traders to retain the much loved sense of community and diversity.

Old Laundry Yard, Shepherd's Bush

COMMERCIAL KITCHEN PROVIDER PURCHASE PREMISES IN ACTON

31 Coville Road SALE Acton Karma Kitchen is transforming industrial spaces into beautiful commercial kitchens, co-working and storage.

Karma Kitchen build, equip and manage the spaces with everything from kitchen porters and community managers to top of the range equipment. The goal is to provide workspace that encompasses the full needs of a food & drink business. *Frost Meadowcroft* originally acquired the property for *CityFleet* in **2019**.



Eccie and Gini Newton launched Karma Kitchen in 2018 (below)



INVESTMENT & PLANNING

INVESTMENT

THE ASSEMBLY ROOMS 1 WERTER ROAD, PUTNEY SW15

In August, *Thackeray Group* sold **The Assembly Rooms** on Putney High Street which comprises **26,321 sq ft** for **£31 million** to an undisclosed overseas investor with a net yield of **4.5%**. This immediately followed

on from *Frost Meadowcroft & BNP Paribas* fully letting the scheme in March (as reported in our last Q1 & Q2 Market Update) to *Gallagher Ltd* on a **10 year lease** at a record Putney rent of **£52 per sq ft**.

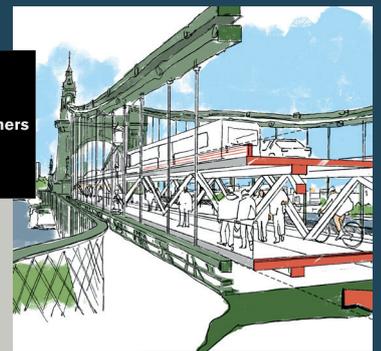


PLANNING HAMMERSMITH BRIDGE W6

Foster + Partners has submitted plans for a temporary double-decker structure. *Hammersmith & Fulham Council* is moving ahead with plans to turn **Hammersmith Bridge** into a double-decker structure whilst it is being restored. The first phase of fixing the bridge is underway at a cost of **£8.9 million**.

The full restoration is expected to cost around **£130 million** with plans to introduce a toll gate on the bridge once it reopens to traffic.

Foster + Partners



INVESTMENT ASSEMBLY LONDON 77 FULHAM PALACE ROAD W6

AXA is selling **Assembly London** in Hammersmith for **£120 million**. A 3 acre office campus with **225,000 sq ft** across four buildings, this development saw the main **Foundry Building** redeveloped in **2017** with recent tenants including *FitFloP*, *IWG's Spaces*, and *Tinopolis*. The development is not yet fully let with a third of the floor space vacant. The price equates to a capital value of **£532 per sq ft** and a net initial yield of **7.55%** after vendor's rent top up.