



Employment Study

Borough of Hammersmith & Fulham

On behalf of the Borough of Hammersmith & Fulham

By Frost Meadowcroft

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READERS NOTES

- For brevity the London Borough of Hammersmith and Fulham is referred to as *LBH&F*.
- The LBH&F Employment Study is presented in metric, with the exception of rents and values because it is particularly prevalent within the property industry to use imperial measures when quoting rents and prices.
- All sq m figures refer to net internal area (NIA).
- Reference is made to vacancy rates, i.e. the proportion of the total office stock in a market or sub-market that is being actively marketed for letting. We have not included availability where offices are occupied but being marketed.
- In the report we use the geographical definition Central Activities Zone (CAZ)
- Trend Business (Research) Limited (TBR Ltd) have been specifically subcontracted to provide relevant employment data. All their research is available in full in the appendices.
- The definition of property use class B is:
 - B1 Business
 - Offices other than in a use within Class A2 (Financial & Professional Services).
 - Research and Development -Laboratories, Studios.
 - Light Industry.
 - B2 General Industrial
 - General Industry (other than classified within Class B1).
 - The former 'Special Industrial Use Classes, B3 – B7, are all now encompassed in the B2 Use Class.
 - B8 Storage or Distribution
 - Wholesale Warehouses, Distribution Centres and Repositories.

1. EXECUTIVE SUMMARY

FALLING EMPLOYMENT IN LONDON BOROUGH OF HAMMERSMITH & FULHAM (LBH&F) SINCE 2012.

- 1.1. Employment has fallen in LBH&F in 2013 and 2014 from a peak of 164,750 in 2012 down to 156,450 in 2013 and 155,450 in 2014. From 2004 to 2012 employment had been growing but it is now down -0.3% for the period from 2009-2014. During this period employment grew 0.4% in the neighbouring Borough, the Royal Borough of Kensington & Chelsea (RBK&C) that had an exemption from Permitted Development (PD) rights from 30th May 2013, and in London generally employment grew at 0.1%. Despite the fall in employment the number of businesses in LBH&F increased by 1.4% between 2009 and 2014, a faster increase than the London average which was 1%. This suggests that LBH&F is an entrepreneurial Borough.
- 1.2. In 2014 B use class properties accounted for 36.9% of all businesses in LBH&F and 33.5% of the employment. B1 (office) is by far the biggest land use occupier with 28.1 % of the number of businesses and 26.2% of the employment, approximately double the next highest use class which is A1 (retail). The B1 (office) and B2 (industrial) sectors have reduced as a proportion of all the sectors of employment. As a proportion of all employment B1 was 31.5% in 2005 but was 26% in 2014. B2 has also reduced, from 6.2% to 4.8%. B8 (storage and distribution) employment has remained at 2.5% of all the employment but retail, A1, A2 and A3 use class and D1 non-residential institutions use class have increased as a proportion of all the employment sectors.
- 1.3. B1 employment has also fallen since 2010 from 48,250 to 40,750 in 2014. This is a reduction of about 16%. More expected is the gradual decline in B2 employment as the services sector increases in UK and land values rise in London, meaning industrial uses relocate to cheaper parts of the UK. B2 employment has reduced 17% from 8,950 in 2005 to 7,450 in 2014. The employment in the B8 (warehouse and storage use class) sector has increased about 7% from 2005 to 2014 from 3,600 jobs to 3,850 jobs

TYPES OF EMPLOYMENT

- 1.4. In terms of B1 employment by sector the top 5 in LBH&F by numbers employed are:
 1. General administrative offices
 2. Publishing
 3. Activities of head offices and management consultancy
 4. Information services
 5. Architectural and engineering
- 1.5. In terms of numbers of businesses the top 5 sectors are:
 1. Activities of head offices and management consultancy
 2. Information services
 3. General administrative offices
 4. Legal and accounting
 5. Architectural and engineering

OWNERSHIP OF BUSINESSES

- 1.6. Whilst the majority of businesses in LBH&F are independently owned (57.7%) a far greater proportion of people are employed by foreign businesses in LBH&F than in London generally (22.1% compared to 13.0 %). The prevalence of these foreign owned businesses such as L'Oréal and Disney is likely to be the proximity to Heathrow via the Piccadilly Line and the A4/M4, whilst attracting employees that prefer to work in Inner London.

CONCENTRATION OF TV AND MUSIC COMPANIES

- 1.7. There is a high concentration of television programming and broadcasting activities, sound recording and music publishing activities, about 20 times the UK average concentration. Motion picture, video and television programme activities is also concentrated in LBH&F about 15 times more than the rest of the UK.

B USE CLASS SUPPLY

- 1.8. In order to put the LBH&F market in context the overall status and trend of the West End office market should be considered. In the latest research from the Estates Gazette's London Offices Market Analysis in Q2 2015 they describe the West End as 'supply constrained' and give the quarterly take-up figure as above the 5 year quarterly average of and conclude that 'as demand continues to ramp up in Central London, there is going to be increasing pressure on the fringe'. In this context LBH&F would be considered the fringe.

OFFICE SUPPLY IN LBH&F

- 1.9. Office availability is at an all-time low in the London market and west of the West End. Our latest research shows the availability rate in the Borough of Hammersmith & Fulham is down to a rate of 3.85%. The neighbouring Royal Borough of Kensington & Chelsea is at 1.72%. Paddington has an availability rate of 5.56%, and Chiswick is at 14.38%.
- 1.10. In the London Office Policy Review 2012 (LOPR12) they conclude that an 8% availability rate is a pivotal measure for the London office market. Rates above 8% offer occupiers a wider choice of accommodation with the tendency for rents to fall, especially when availability is rising and wider choice is anticipated. If availability rates are below 8%, and falling, then there is a tendency for rents to rise, reflecting a narrower choice of accommodation. This conclusion is backed up by the fact that as availability rose to above 8% in 2009 rents fell but as it fell steadily rents rose from 2011 in London. In LBH&F the rents have doubled between 2009 and 2015 in central Hammersmith from approximately £25 to £50 per sq ft and available, vacant offices decreased to 1.5% in Q1 2015 and now stands at just 3.85% in Q4 2015.

LOSS OF B USE CLASS STOCK

- 1.11. We estimate that 38,650 sq m (416,000 sq ft) is vacant in the Borough which compares to WS Atkins' estimate of 126,348 sq m (1.36m sq ft) vacancy in 2005 in the last employment study. Given that 38,276.05 sq m (412,000 sq ft) was taken up by occupiers from September 2014 to September 2015 this is approximately 1 year of supply if that rate of take up continues.

PERMITTED DEVELOPMENT LOSS AND PLANNING LOSS OF B CLASS STOCK TO RESIDENTIAL USE

- 1.12. A major contributing factor of this shortage in supply of B Class stock is Permitted Development (PD) Rights introduced in May 2013 where we have estimated 78,000 sq m (839,612 sq ft) has been granted under prior approval for conversion to private residential property (use class C3) from the B use class of which 73,000 sq m (786,580 sq ft) is offices and 4,926 sq m (53,024 sq ft) industrial space.
- 1.13. The type of office space which has received prior approval for conversion to C3 residential use is set out later in the report in detail but it is the smaller buildings that receive the most prior approval application notices, 51% below 100 sq m (1,076 sq ft) and 30% between 100 (1,076 sq ft.) and 200 sq m (2,153 sq ft). Only 1 % were over 1000 sq m (10,764 sq ft) yet this accounts for 49% of supply because of the 40,105 sq m (431,700 sq ft) Empress State Building that was granted prior approval for conversion to residential using permitted development.
- 1.14. Another reduction in B class supply has been the 71,225 sq m (766,656 sq ft) of formerly B class land and buildings converted or demolished with planning approval for conversion or construction of residential property of which 50,433 sq m (542,859 sq ft) has been industrial and 20,791 sq m (223,797 sq ft) has been offices.
- 1.15. Similar to PD in terms of numbers of applications the majority are for smaller buildings, 74% below 100 sq m (1,076 sq ft) and 15% between 100 (1,076 sq ft.) and 200 sq m (2,153 sq ft).
- 1.16. The combination of high office demand and low supply due to the loss of stock from conversion to residential in LBH&F has resulted in the fastest rent and capital value gains for offices since the late 1980s in 2013 to 2015.
- 1.17. We estimate the total loss of B class stock in LBH&F since 2012 has been 149,227 sq m (1,606,261 sq ft). This is the equivalent of about 12% of the total existing stock.

TAKE UP AND DEMAND FOR B USE CLASS STOCK

- 1.18. London has experienced good levels of demand from office occupiers since 2011 as the economy has recovered. The service sector in the UK has outperformed other sectors in the UK's GDP, accounting for approximately 78.4 % of total GDP according to the ONS services index of May 2015. London has a high density of service sector occupiers and this plays an important part in the office market.

- 1.19. 38,276 sq m (412,000 sq ft) was taken up by occupiers from September 2014 to September 2015 in LBH&F, this is approximately 1 year of supply if that rate of take up continues and all the vacant stock in the Borough is ready to let. The take up in September 2014 to September 2015 was just below the 5 yearly annual trend of 40,319 sq m (434,000 sq ft).
- 1.20. We have analysed the companies that are named in the Co Star database for leasing office properties between 2011 and 2014 and have found that of those named in the database, the dominant sector is Telecoms Media and Technology Sector (TMT) at 46% of take up and the next largest being the services and health/education sectors at 8% each.

DEMAND FROM AUGUST 2014 TO AUGUST 2015

- 1.21. During the 12 months from August 2014 to August 2015, there was approximately just under 158,000 sq m of reported office demand from companies that would consider locating in LBH&F being represented by their professional agents using the industry portal <http://www.westendagents.com/>. This only gives a flavour of demand as many of these companies might have a requirement that is then shelved and conversely many companies that have a requirement may not use a professional advisor. This is particularly the case for smaller requirements as professional agents are not usually employed to acquire offices for the smaller companies. Of this total figure 62% of the number of requirements were for businesses between 93 sq m and 465 sq m (1,000 and 5000 sq ft) a total of 23,595 sq m (264,750 sq ft) or 15% of the 1.7m sq ft required. The larger 929 sq m (10,000 sq ft +) enquiries account for only 20% of all enquiries but a total of 97,351 sq m (1,047,500 sq ft) or 62% of the 1.7m sq ft required in total in the Borough.
- 1.22. The pressure on office stock from Permitted Development Rights, particularly in Fulham and Putney in the neighbouring borough of Wandsworth has reduced availability in the surrounding area and therefore office developments like Coda Studios in Munster Road near Parsons Green, Fulham Green, adjacent to Putney Bridge and Chelsea Harbour adjacent to Imperial Wharf station were entirely full in October 2015 and with rents nearly double their 2012 values.

INCREASING RENTAL VALUES

- 1.23. The average rent for LBH&F from September 2014 to September-2015 was £35 per sq ft, the highest rent to date being £57.50 in October 2015 in Hammersmith town centre and £52.50 in Shepherds Bush. This compares to the previous Atkins employment study in 2005 that concluded that the average asking price on the market was £24.82 per sq ft for offices. Continuing low levels of supply and good demand have helped prime rents continue to perform strongly. Prime rents in Hammersmith had never before achieved over £40 until Summer 2014 when rents ranging from £46 to £50 were achieved at the letting of the new 10 Hammersmith Grove. During the rest of 2014 and the Q1 and Q2 2015 rents over £50 per sq ft have been common in Hammersmith town centre and at the Shepherds Building in Rockley Road, Shepherds Bush.

THE FREEHOLD MARKET VALUE IN COMPARISON TO C3 RESIDENTIAL

- 1.24. In general residential freehold values still exceed those for offices in October 2015 hence the pressure for conversion or demolition in favour of residential.

ACCESS, TRANSPORT AND PARKING ISSUES

- 1.25. It is far more unusual for employees to drive to work to LBH&F than it was in the 1980's, the 1990's and in 2005, the date of the last employment study. Road access and car parking is much less important for office occupiers and cycling is far more prevalent in October 2015. As a result of this cycling culture office building owners are increasingly providing showers for cyclists and cycle parking both because of planning obligations and to improve demand for their property.
- 1.26. The combination of the improved Overground lines in the Borough, cycling and the preference for many employers and employees to live closer to work has meant that some of the locations that were more marginal in LBH&F are now successful and fully let office locations such as Chelsea Harbour in the imperial sub market and Coda Studios in Munster Road in the Parsons Green sub market.

IMAGE & DESIRABILITY

- 1.27. The environmental quality, image and desirability of the sub markets have been considered for this report. The amenities and desirability of the buildings have improved since the previous Atkins employment study of 2005. This study highlighted the exceptionally poor quality of the buildings in Wood Lane and along the River south of Hammersmith and in Fulham. Both these areas have been and are being redeveloped and the likelihood is that any remaining buildings of poor quality will soon be refurbished or replaced.
- 1.28. General improvements locally since 2005 for B use class properties have been:
- Vastly improved shopping and restaurants at Shepherds Bush with Westfield London dramatically improving the amenity of the Shepherds Bush and White City office market.
 - More restaurants, a farmers market and an improved Kings Mall shopping centre in Hammersmith town centre.
 - An understanding from building owners that sacrificing car parking for outside seating and external landscaped gardens enhances the demand for their office such as at Fulham Green at Putney Bridge and The Aircraft Factory at 100 Cambridge Grove, Ravenscourt Park in Hammersmith which is being refurbished this quarter.
 - More on site amenities such as cafes/informal meeting areas, in developments like Chelsea Harbour, Shepherds Building in Shepherds Bush, Coda Studios in Munster Road, Parsons Green, and Fulham Green at Putney Bridge.
 - The reduction in the size of plant and machinery required to heat and cool an office building and the fashion for exposing plant and machinery rather than hiding it above suspended ceilings has led to greater volume working spaces with increased natural light.

- Improved environmental performance. This is due to increased awareness of EPC ratings, BREEAM, the banning of the R22 refrigerant via the Kyoto agreement that was enforced from 2005 and more tenants considering this before selecting an office property.
- Improved disabled access to properties as a result of the Disabled Discrimination Act 1995 that was then superseded by the Equality Act 2010.

POTENTIAL FOR UPGRADING

- 1.29. There are some office buildings that remain architecturally uninspiring, as they are a legacy of office development from the 1960's to 1990's but there are few that cannot be improved architecturally without full demolition. Often a developer can take a building back to its concrete frame and then retro fit it with contemporary plant and machinery and reclad the exterior.
- 1.30. From 2011, as the office market dramatically improved in terms of demand and there remains an acute lack of supply there has been added financial impetus for B use class property owners to improve their stock to benefit from higher rent or gross development value. Numerous properties have been substantially improved architecturally since 2005 and these have been listed in the report. These improvements are despite PD, because office property has been owned by investors that require investment income rather than a capital gain, so these properties have tended to remain in office use.

SUPPLY REQUIRED FORECAST

- 1.31. TBR have analysed the sectors prevalent in LBH&F and compared those to other Boroughs and the rest of London. They find that LBH&F employment will grow more than in London generally. This is in contrast to recent trends because in the last 4 years employment in LBH&F has decreased. We think this could be explained by lack of supply of B1 office stock.
- 1.32. TBR's projected employment figure for LBH&F in 2036 is 175,000, an increase of 13% from the numbers employed in 2014. The projected B1 (office) use sectors employed is 80,200 about 11% higher than the London Office Policy Review in 2014. The London Office Policy Review update of 2014 (LOPR 2014) was an update to a 2012 review a report conducted by the Mayor of London. LOPR 14 projected that there would be 72,000 jobs employed in the B1 use class by 2036. This is an increase of B1 employment of 39,450 from 2014 to 2036. LOPR 2014 projected 27,000 additional jobs from 2011 to 2036. This appears to be an under projection given TBR's 2014 B1 employment figure.
- 1.33. LOPR 14 gave a prediction that 259,000 sq m (2,787,944 sq ft) to 346,000 (3,724,435 sq ft) more office space would be required by 2036 in LBH&F. For this they used a range of 1 person per 9 sq m (97 sq ft) to 1 person per 12 sq m (129 sq ft) plus an 8% vacancy allowance multiplied by 27,000 more B1 jobs. Using the same person per sq m range but TBR's prediction of 39,450 more B1 use class jobs being required by 2036 this gives a prediction of between 383,454 sq m (4,127,560 sq ft) and 511,272 sq m (5,503,466 sq ft) more office space being required by 2036 in LBH&F

Table 1 below shows a forecast of B1 (office) supply required in LBH&F based on TBR employment projection figures and a 1 person per 9 sq m (97 sq ft) plus an 8% availability rate.

Year	Projected Increase in Employment by TBR	Additional Office (B1 use) supply required at 1 person per 9 sq m (97 sq ft) plus 8% availability	
		sq m	sq ft
2021	23,200	223,560	2,406,377
2026	29,100	282,852	3,044,591
2031	34,200	332,424	3,578,179
2036	39,450	383,454	4,127,461

- 1.34. On an annual basis a further 18,260 sq m (196,555 sq ft) of B1 use office space is required per annum or 1.8% more than the existing stock level of 1,003,723 sq m (10,804,334) of B1 use offices. Yet since 2012 the equivalent of 12% of the office stock was lost to conversion to residential through PD or the planning process. The total B1 office stock in the Borough now needs to gain a further 38% of the existing 2015 total in the 21 years to 2036 to cater for the predicted employment growth. This would indicate that there is not adequate supply to provide the employment requirements of LBH&F in 2015 and does explain the rapidly rising rents and fully let office complexes such as Chelsea Harbour, Fulham Green, Coda Studios and Shepherds Building in the Borough.

FUTURE SUPPLY OF B1 STOCK

Larger Developments

They include the following as at Q4 2015:

- Television Centre, Wood Lane
- White City Place, Wood Lane
- Imperial West (North)
- Imperial West (South)
- Earls Court
- 245 Hammersmith Road
- King House, 174 Hammersmith Road

- 1.35. The total potential new supply of B1 from these properties before 2020 is 137,800 sq m (1.48 m sq ft) yet on employment projections set out in this report this is a 93,000 sq m (1 m sq ft) under supply of the office supply required by 2021 using TBR's B1 employment projections.
- 1.36. An estimate of total new supply before 2036 providing Stanhope achieve pre-lets and Capital & Counties and Imperial College London construct all the potential office content on their schemes is 349,304 sq m (3.76 m sq ft). This is just under the 383,454 sq m (4.13m sq ft) that is forecast to be required earlier in this report. Whilst this does appear to recover back some of the 93,000 sq m (1 million sq ft) shortfall of supply in the next 5 years, this will only occur if no other supply is lost through PD or planning which is unlikely. It is also a concern that so much of the supply is

at the discretion of Capital & Counties, Imperial College London and Stanhope. Capital & Counties control whether 55% of the 3.76m potential pipeline is built before 2036, Imperial College London 27% and Stanhope 13%. Kings House being developed by Kier and 245 Hammersmith Road by Legal and General is just 2.8% of pipeline supply.

Other Potential Supply

1.37. More detail on this is in the body of the report but we have listed some opportunities as follows:

- Old Oak
- Kensington Olympia conference centre
- The former Imperial Gasholder site, Imperial Road
- Car Parks such as the West 12 shopping centre car park and Olympia Centre Car Park
- Roof Extensions to Existing B class space
- Smaller B class buildings within mixed residential development
- Royal Mail Depots
- Public Buildings
- Hammersmith Police Station and associated buildings
- Hammersmith Bus Station
- Remaining Wharves, industrial and warehouse properties

EXECUTIVE SUMMARY: CONCLUSION

Lack of Supply is causing employment loss to LBH&F

1.38. In our opinion the evidence of this report suggests that the loss of employment in LBH&F in 2013 and 2014 is related to a loss of employment space rather than an economic slowdown.

1.39. LBH&F is entrepreneurial in that the number of new businesses created increased by 1.4% between 2009 and 2014, a faster increase than London generally. Therefore the loss of employment is not being caused by a lack of economic growth. Also the adjoining Borough, RBK&C that has an exemption from PD rights and a more protective stance towards B class use generally has seen employment increase in the last 2 years. Similarly London wide where the Central Activities Zone (CAZ) has an exemption from PD there has also been an increase in employment.

Dramatic loss of B use class supply in last 10 years

1.40. In an office market that is supply constrained in both the West End and to the west of West End including LBH&F, demand in 2014 was over the 5 year average yet 78,002 sq m (849,000 sq ft) of B class stock has been removed through PD since its introduction on 30th May 2013. Much of this stock is smaller office buildings as larger buildings tend to have wider floor plates and are therefore more difficult to convert to residential.

1.41. In addition 71,225 sq m (766,656 sq ft) of formerly B class land and buildings has been converted or demolished with planning approval for construction of residential property since 2012.

- 1.42. The total loss of B class stock since 2012 has been 149,227 sq m (1,606,261 sq ft). This is the equivalent space for 16,581 employees at one person per 9 sqm (97 sq ft). Since 2005 the B class stock has reduced from 2.186m sq m (23.5m sq ft) to 1.2m sq m (12.87m sq ft). This is a loss of about a 45% or just under half of the entire stock.
- 1.43. Unless LBH&F gains exemption from any extension of the PD legislation beyond 30th May 2016 future supply of offices through the planning process will need to be accelerated in order to offset this loss to residential. Without such an approach, there will a continued loss of employment, which could have a dramatic effect on the daytime trade of restaurants, pubs and shops that provide amenity to those living in, as well as those employed in, the Borough.

LBH&F is a more viable location for B use class property across the entire Borough

- 1.44. Since the last employment study in 2005 there has been significant improvements in public transport. Extra railway stations have been constructed in the Borough at Shepherds Bush and Imperial Wharf, and the Circle Line has been extended to Hammersmith.
- 1.45. More employees are cycling to work and more company directors are seeking to work nearer their home rather than travel further into the centre. Westfield London has been constructed providing shopping and restaurant amenity to Shepherds Bush and White City improving this area dramatically as an office location. Olympia is now connected to Shepherds Bush, Imperial Wharf and Clapham Junction with regular trains on the Overground network.
- 1.46. This combination of the improved transport and the preference for many employers and employees living either locally or in west London or the western home counties not having to commute into the West End, City or City fringe has meant that some of the locations that were more marginal in LBH&F are now successful and fully let office locations such as Chelsea Harbour in the Imperial sub market, Fulham Green in the Putney Bridge submarket and Coda Studios in Munster Road in the Parsons Green submarket. This has been evidenced by the take up and near doubling in office rents since 2012 across the Borough.
- 1.47. Whilst some employees may be working permanently at home, office take up and demand in this report shows that office demand is above its 5 year average and so it appears the majority of employees are spending some or most of their working time at a place of work. Through the commercial agency aspect of our business we are aware that many employees and employers that live close to their place of work expressing that they do not wish to commute or work in the more expensive, congested centre of London. They therefore consider the fringe market of LBH&F an attractive alternative to central London.
- 1.48. This has meant that the majority of the Borough is a viable office location and it is only the pressure of higher residential values not the viability of the land as offices that is causing the desire by building owners to change the use of their property. What this report has demonstrated is that the office market is buoyant and viable right across the Borough. There is very little vacant space and there are no locations where large numbers of unviable buildings are lying vacant as a result of poor demand.

- 1.49. If more B class supply is lost it is likely these employers and employees are most likely going to be forced to relocate further into the centre of London rather than to places with inferior public transport further out of London. This will increase congestion in the centre of London and reduce employment in LBH&F.

Potential new supply

- 1.50. Three important areas of potential supply in LBH&F through development are the land around Wood Lane by Stanhope on the former BBC sites in the west side of Wood Lane, the land owned by Imperial College London at Imperial West (North) north of the Westway and Imperial West (South) east of Wood Lane as well as the redevelopment of Earls Court. However if Imperial College had not purchased the land for Imperial West south from Helical Bar and Aviva Investors this too would have been a residential led scheme with 19,623 sq m (211,200 sq ft) of offices rather than potentially 92,900 sq m (1,000,000 sq ft of) new offices.
- 1.51. If former employment sites are allocated to particular uses, in a Local Plan, a better balance between offices and housing will be achieved in LBH&F. The highest gross residential value is often private C3 residential use and once a C3 use residential development is constructed and sold off to individual occupiers it will not revert back to employment use in the future.

Policies that may assist retaining B1 property and improving new supply include:

Obtain an Article 4 that is effectively an exemption from PD preventing loss of the B1 use class

- 1.52. RBK&C won an exemption from PD yet LBH&F is a larger office market with a concentration of various important industries such as TV production. LBH&F would have greater capacity to prevent further loss of B class stock and properly manage its B class supply with an Article 4 preventing loss of the B1 use class similar to an exemption from PD.

Reduce Local Community Infrastructure Levy for office development

- 1.53. This may encourage some office development that may have otherwise been residential or retail led.

Protect B class use through planning process and land allocation and encourage B1 use from Sui Generis land.

- 1.54. LBH&F could request minimum requirements of B1 allocation in mixed use schemes that must be constructed before or simultaneously with the residential, retail or other uses. For example a planning condition could be imposed on a mixed use site whereby all the employment use space on an existing site must be re-provided within a new larger mixed use scheme on the site or in the vicinity. This report shows that sites such as the M&S site at 54 Wood Lane and the Earls Court regeneration could have provided new B1 use class space successfully as these areas are viable, desirable and in demand office locations yet both are residential focused with office supply only coming on stream at Earls Court during later phases.

- 1.55. Where Sui Generis sites are owned by residential developers and where residential capital values are more valuable it is inevitable that B class uses will not be the primary land use, and in some cases may not be voluntarily constructed.

Ensuring replacement B class space is not inferior

- 1.56. Replacing B class use with ground floor retail type space or basement space could be resisted as this is still essentially a reduction in the supply of employment space as basement offices are not desirable and are often converted later to more suitable use classes such as D1 and ground floor space in mixed use schemes is often used as a showroom or retail rather than a B1 office or studio use. These uses do not employ as many people as B use class. For example the planning consent for the residential led scheme at the former Goldhawk Industrial Estate, 2A Brackenbury Road reduced the B class content from 2,360 sq m (28,310 sq ft) to 2003 sq m (21,561 sq ft). This loss is also compounded because approximately half of the B class space will be in the new lower ground floor. Innocent Drinks had their head office here together with other businesses. Innocent Drinks relocated to neighbouring RBC&K following this consent.

Stringent marketing tests that are then reviewed by external professionals before loss of B class use are permitted.

- 1.57. When developers are asked to provide marketing tests to show that an employment site is unviable, a robust review of the reports produced by developers' professional advisors should be undertaken. This review should be completed by an independent professional to ensure that the viability is not just a matter of opinion, and to ensure that buildings have not been deliberately left vacant and have been marketed properly to avoid deliberate vacancy.
- 1.58. Our business has witnessed many reports for residential developers that we consider are one-sided and can be challenged in terms of the viability of the commercial buildings where that developer wishes to remove an employment use for a more valuable use such as residential or retail.
- 1.59. We have on occasions represented the adjoining Borough, RBK&C to challenge spurious marketing reports and to prove viability of a particular office location. LBH&F could consider this approach to their B class stock.

Affordable workspace instead of affordable housing

- 1.60. Some Boroughs consider affordable workspace as an alternative to affordable housing where the need for employment space, particularly for smaller companies is greater than the need for affordable housing. In our opinion the evidence of this report suggests that the fall in employment in LBH&F in 2013 and 2014 is related to a loss of employment space rather than an economic slowdown.
- 1.61. It is the smaller B class properties that have been most rapidly lost as a result of PD which has displaced many of the Borough's smaller companies. The problem with this is that subsidising offices or shared workspace would be at the expense of affordable housing as potential

development sites would fail on viability if both affordable housing and affordable workspace erodes the developer's profit below the market level, which is usually 20% on cost.

- 1.62. There are London development sites where subsidised commercial space for artists or start-up companies forms part of the section 106 negotiations. Examples have occurred in the adjoining Borough, RBK&C and numerous schemes near the former Olympics under the jurisdiction of the London Legacy Development Corporation. At a political level here it has been decided that more affordable workspace is required, presumably because they consider enough affordable housing is already being allocated or employment has taken priority in these sites.

Encourage Start Up Hubs and Co-working

- 1.63. Starter hubs and co-working can encourage small businesses to begin in an area.

Start Up Hubs

- 1.64. A 'start up hub' is a cluster of businesses that have just been incorporated. At the early stages of a business's growth, particularly with a new idea or untested concept in the market there is uncertainty over factors such as how fast or slow a business will grow. This means the finance and number of employees in the first few years is difficult. For these reasons these businesses prefer to locate where they do not have to commit to a lease for say 3 or 5 years because they do not know at the early stage whether this lease will be affordable or whether the size of the office will be correct for the number of employees required in the near future. Traditionally these types of businesses have often begun with the business owners starting their businesses at home or at serviced office buildings.
- 1.65. In LBH&F companies like Regus, MWB, Avanta and Ugli have provided office space that can be rented per person for 3 months at a time, rather than the more conventional leasing, whereby the landlord and tenant commit to each other to 3 to 5 years. The problem with serviced offices from a new company's perspective is that they are paying for this flexibility through higher rents than in conventional offices on longer leases. One way to describe this would be to use the metaphor of the choice people between staying in a hotel and renting a flat in a city. Whilst it is convenient and flexible to stay in a hotel, in the medium term it is more expensive than renting a flat.
- 1.66. Start-up hubs differ from serviced offices in that often they are in comparatively cheaper parts of London, in lower specified buildings i.e. in basement or ground floor space only and are therefore more affordable than serviced offices. In addition start-up firms can pool resources such as accounting or technology advice and they can benefit by having other professionals in similar industries nearby for networking opportunities.

Co-working

- 1.67. Co-working is the concept of having a hub of different businesses, usually small businesses, sharing an office space or building without the division walls between each company that you would see at a multi-let office property or a serviced office building.

- 1.68. There have not been many start-up hubs in LBH&F in comparison to, for example, the eastern Fringe of London, in Old Street, Shoreditch, Dalston, London Fields, Hackney and Stratford. There are a number of reasons for this but it is not just because Old Street has become associated with technology firms because the largest sector of take-up in LBH&F is the TMT (technology, media and telecoms sector). The main factor is the lack of availability of offices and therefore the high rents commanded for office space that could otherwise be used as start-up hubs but is instead let to larger companies that can afford the rent and commit to longer leases.
- 1.69. The ways in which LBH&F could encourage start-up hubs and co-working other than generally retaining and encouraging office supply in the Borough could be:
1. Ask developers to provide affordable start-up hubs and co-working as part of the s106 agreement for residential schemes.
 2. Guarantee the leases of co-working companies in exchange for a share in the profits these companies earn from the start-up companies that are renting from them. This would enable these co-working firms to compete for leases in office property that would otherwise be let to more established companies.
 3. Lease surplus commercial property owned by LBH&F to co working companies.

2. INTRODUCTION

- 2.1. The London Borough of Hammersmith (LBH&F) is a borough in west London that forms part of Inner London.
- 2.2. The borough comprises some less affluent neighbourhoods such as White City but in general it has the 5th highest house prices in London according to the GLA's house price statistics of July 2015 behind RBK&C, Westminster, City and Camden. The affluent residential parts include Brook Green, Parsons Green, Brackenbury Village, Ravenscourt Park and The Riverside.
- 2.3. According to the 2011 Census it is also the 6th most densely populated Borough.
- 2.4. The Borough is an important office centre in West London, west of the major office centre of the West End. In 2014 the employment level was 155,469 just under 2.69% of the 5.78m London workforce, similar in size of workforce to Royal Borough of Kensington & Chelsea (RBK&C), Lambeth and Ealing.
- 2.5. The main M4/A4 vehicle route from Heathrow Airport to central London and the Piccadilly Line stations at Hammersmith and Baron's Court pass through the LBH&F. This is a factor that strengthens demand for B1 offices in LBH&F, particularly near these stations. The proximity to Heathrow encourages international companies to locate to Hammersmith, providing an easier travel route for senior directors to fly to the United States for example. This has a bearing on the location of businesses such as Disney and L'Oréal at Hammersmith Broadway and is a factor that has made Hammersmith a popular location for airlines.
- 2.6. Since 2011, as both the office market and residential market improved there has been ongoing regeneration in the Borough including substantial residential schemes such as Fulham Reach by the River in Hammersmith as well as upgrading of office buildings of which there is more detail later in this report. As well as the improvement in the market, improved public transport at Shepherd's Bush, Olympia and Imperial Wharf is contributing to the regeneration.

THE PURPOSE OF THE STUDY

- 2.7. To assess the demand and supply of land and premises for a range of employment types, but in particular B1 class (office) uses. The study will report upon the borough as a whole as well as on sub-locations, such as the individual town centres. The study assesses this demand and supply in the context of other employment centres in west London and in London as a whole and take into account changes expected to occur in these centres.

3. EMPLOYMENT IN LBH&F

- 3.1. Detailed employment statistics produced by Trend Business Research (TBR) specifically for this report are provided in Appendix 1 and we have summarised these below.

HEADLINE SUMMARY

- 3.2. Employment has fallen in LBH&F in 2013 and 2014 from a peak of 164,750 in 2012 down to 156,450 in 2013 and to 155,450 in 2014. From 2004 to 2012 employment had been growing but it is now down -0.3% from 2009-2014. During this period employment grew 0.4% in RBK&C, the neighbouring Local Council that had an exemption from Permitted Development (PD) rights from 30th May 2013. In London generally employment grew at 0.1%
- 3.3. Despite the fall in employment the number of businesses in LBH&F increased by 1.4% between 2009 and 2014, a faster rate of increase than the London average which was 1%. This suggests that LBH&F is an entrepreneurial London Council.
- 3.4. LBH&F businesses have become more efficient since 2009 however, improving gross value added¹ (GVA) by 7.5% and turnover and productivity by 6.9% and 7.8% respectively. The GVA in LBH&F is a greater improvement than in Brent, Ealing and RBK&C. London wide gross value added fell -0.7%. This is likely to be due to the losses and fines incurred in the finance sector which is located predominantly in the City and Docklands and not as prominent in LBH&F.
- 3.5. In 2014 B1, B2 and B8 use class property accounted for 36.9% of all businesses in LBH&F and 33.5% of the employment. B1 is by far the biggest land use occupier representing 28.1 % of the number of businesses and 26.2% of the employment, approximately double the next highest use class which is A1. The B1, and B2 sectors have reduced as a proportion of all the sectors of employment. As a proportion of all employment B1 was 31.5% in 2005 but was 26% in 2014. B2 has also reduced, from 6.2% to 4.8%. B8 employment has remained at 2.5% of all the employment but retail use classes (A1, A2 and A3) and the non-residential institutions use class (D1) have increased as a proportion of all the employment sectors.
- 3.6. B1 employment has also fallen since 2010 from 48,250 to 40,750 in 2014. This is a reduction of about 16%. More expected is the gradual decline in B2 employment as the services sector increases in UK and land values rise in London, meaning industrial uses relocate to cheaper parts of the UK. B2 employment has reduced 17% from 8,950 in 2005 to 7,450 in 2014. The

¹ Gross value added is the measure of goods and services produced in an area, similar to GDP (gross domestic product) but at a regional level.

employment in the B8 (warehouse and storage use class) sector has increased about 7% from 2005 to 2014 from 3,600 jobs to 3,850 jobs.

3.7. In terms of B1 employment by sector the top 5 sectors in LBH&F by numbers employed are:

1. General administrative offices
2. Publishing
3. Activities of head offices and management consultancy
4. Information services
5. Architecture and engineering

3.8. In terms of numbers of businesses the top 5 sectors are:

1. Activities of head offices and management consultancy
2. Information services
3. General administrative offices
4. Legal and accounting
5. Architecture and engineering

3.9. Because publishing companies only appear in the numbers employed table (Table 2 below) and not the number of businesses table (Table 3 below) we can establish that LBH&F's publishing companies are larger businesses generally rather than the most numerous. General administrative offices, activities of head offices/management consultancies, information services and architecture and engineering feature in both lists above. This means that there are both a high number of these businesses and they employ a lot of people.

OWNERSHIP OF BUSINESSES

3.10. Whilst the majority of businesses in LBH&F are independently owned (57.7%) a far greater proportion of people are employed by foreign businesses in LBH&F than in London generally (22.1% compared to 13%). The prevalence of these foreign owned businesses such as L'Oréal and Disney is likely to be the proximity to Heathrow via the Piccadilly Line and the A4/M4, whilst attracting employees that prefer to live in Inner London.

EMPLOYMENT AND BUSINESS CONCENTRATIONS IN LBH&F

This section describes the employment and business location concentrations in LBH&F in comparison to Brent, Ealing and RBK&C as well as London, England and the UK.

3.11. The full results of TBR's analysis are in the Appendices.

3.12. In terms of employment TBR's results show that employment in certain sectors is much more prevalent in LBH&F than in other parts of London, England and the UK. TV programming and broadcasting employs a density of 4 times the concentration in London than in the rest of the UK but over 23 times in LBH&F. Table 2 below shows the sectors that are most concentrated in LBH&F in comparison to London and the UK generally. The numbers are the 'Local Quotient' of

the relative density of a sector with any number over 1 showing a greater concentration than the UK:

Employment Concentration Table

Table 2 below shows LBH&F in comparison to London in respect of employment concentration:

Sector	Employment Concentration	
	London	LBH&F
Television programming and broadcasting activities	4.42	23.76
Sound recording and music publishing activities	3.99	18.33
Motion picture, video and television programme activities	3.31	15.23
Organisation of conventions and trade shows	1.94	5.64
Wireless telecommunications activities	1.52	5.15
Advertising	2.69	5.13

- 3.13. TBR have also analysed the number of businesses in LBH&F in comparison to other areas to assess the density of particular sectors as well as the level of employment per sector. This helps avoid incorrectly identifying a dense concentration of activity that is simply one substantial employer rather than a hub of numerous similar businesses. The three of the top four sectors that create the largest amount of employment are also three of the top four businesses in terms of numbers of businesses in the business concentration table (Table 3 below). This illustrates in our opinion that LBH&F is a hub for sound recording/music publishing activities, television programming/broadcasting activities, reproduction of recorded media and motion picture, video and television programmes activities.

Business Concentration Table

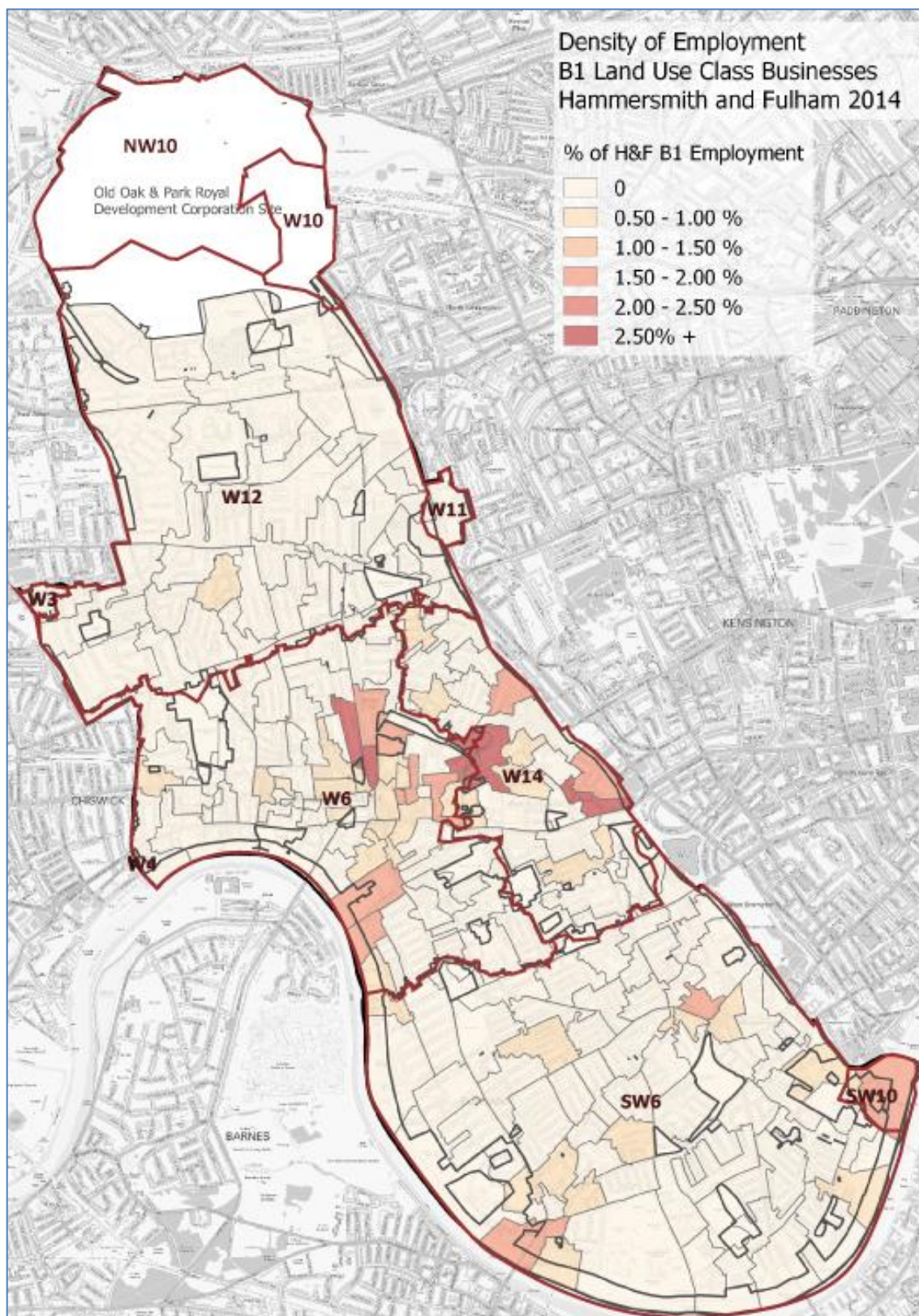
Table 3 below shows LBH&F in comparison to London in respect of business concentration:

Sector	Business Concentration	
	London	LBH&F
Sound recording and music publishing activities	2.94	7.67
Television programming and broadcasting activities	2.77	6.58
Reproduction of recorded media	2.62	6.22
Motion picture, video and television programme activities	3.02	5.44
Passenger air transport	1.51	4.77
Radio broadcasting	1.75	4.10

- 3.14. The adjoining Local Council to the east, RBK&C has an even larger employment concentration of sound recording and music publishing activities and is over 30 times more concentrated than the UK. This is partly because all the 3 international music companies known in the music industry as the major record labels or 'majors' are close to Kensington High Street which encourages smaller labels to cluster nearby. LBH&F probably has a prevalence of this activity as it is close to this RBK&C cluster too. The industry that is most concentrated in adjoining Ealing and Brent is reproduction of recorded media, again illustrating the importance of this media sector in the adjoining borough to LBH&F.

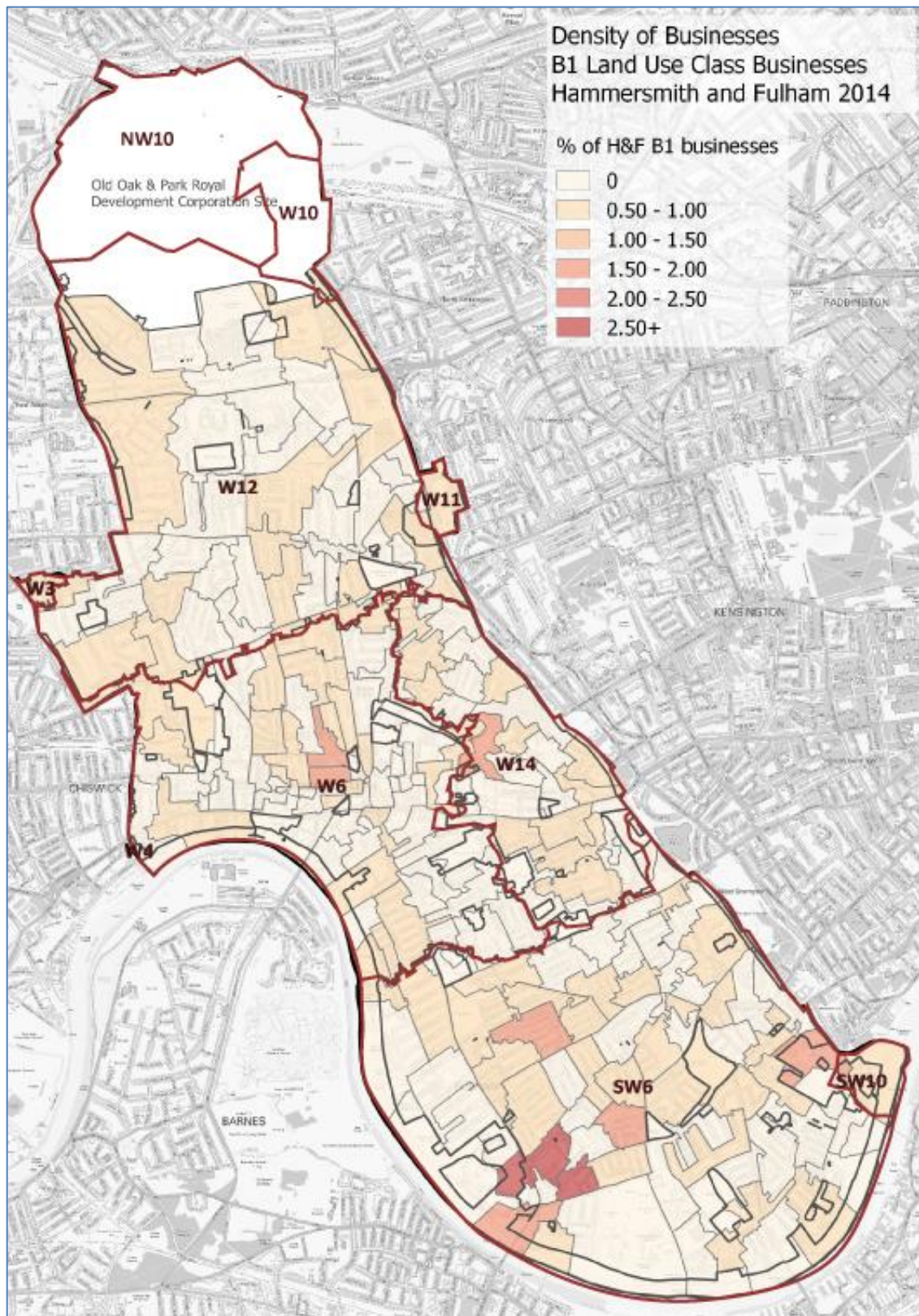
Density of Employment Map

- 3.15. This map shows the areas of most employment in LBH&F. The area with the highest density of employment is Hammersmith town centre at 13%.



Density of Businesses Map

- 3.16. The map below shows the density in terms of the number of businesses. This illustrates there are a lot of smaller companies in SW6 in the Putney Bridge and Parsons Green & Peterborough Road sub markets if compared to the employment map.



4. LONDON AND LBH&F OFFICE MARKET OVERVIEW

THE OFFICE MARKET IN THE WEST END

- 4.1. In order to put the LBH&F market in context the overall status and trend of the West End office market should be considered. The office market in the LBH&F forms part of the central London market and therefore the general trends and features of this are largely reflected in the local market. The West End office market is a generic term for the central London office market west of the Midtown and City markets. LBH&F forms the western fringes of the West End market in a corridor of office markets that continue west from the West End and Central Activities Zone (CAZ) through RBK&C, LBH&F, Chiswick, Brentford and then on to Heathrow.
- 4.2. The latest research from the Estates Gazette's London Offices Market Analysis in Q2 2015 describes the West End as '*supply constrained*' and gives the quarterly take-up figure as 71,672 sq m (771,500 sq ft) above the 5 year quarterly average of 65,030 sq m (700,000 sq ft). They give the West End availability figure as 4.4% and conclude that '*as demand continues to ramp up in Central London, there is going to be increasing pressure on the fringe*'. In this context LBH&F would be considered the fringe.
- 4.3. In their August 2015 West End monthly review BNP Real Estate state that they are currently tracking 227,605 sq m (2.45m sq ft) of available space in the West End, a vacancy rate 3.60%. They conclude that this is the lowest level of vacancy they have recorded in the West End and 2.8% below its long term average.
- 4.4. In their West End Market Watch for 2014 Savills concluded that in 2014 take up was 390,180 sq m (4.2m sq ft), 22% ahead of the long term average annual figure and ahead of 2013's total of 380,890 sq m (4.1m sq ft). This take-up was the highest level since 2007. The Technology, Media & Telecoms Sector (TMT) was the most active in 2014 accounting for 32% of take-up, significantly ahead of the five year average (2009-13) share of take up of 24%. Of the TMT companies to acquire space last year, Media & Entertainment companies have been the most active, accounting for 35% of TMT sector take-up, followed by technology companies accounting for 28%. London wide the Finance Sector was the most active sector in the Estates Gazette's London Offices Market Analysis in Q2 at 38.6% with TMT the next largest at 15%.
- 4.5. Due to the economic recession post 2009, there were fewer new developments of offices and little appetite from developers or funders to embark on new projects during 2010 and 2011. As the economy has recovered the supply of offices has fallen as the new stock pipeline has been unable to keep pace with higher levels of demand. This lack of stock has also been exacerbated by the conversion of existing office buildings to residential. This residential market has been resilient to the economic crisis and has seen higher growth and values than offices.
- 4.6. 2014 was a strong year in terms of office take-up in the London office market and this trend is continuing in the first and second quarter of 2015. Outside of the West End, the surrounding markets have also seen high levels of demand and rental growth. West London, along with other popular submarkets such as Southbank, Old Street (Silicon Roundabout) and Midtown have seen particularly strong growth and limited supply as there has been good demand.

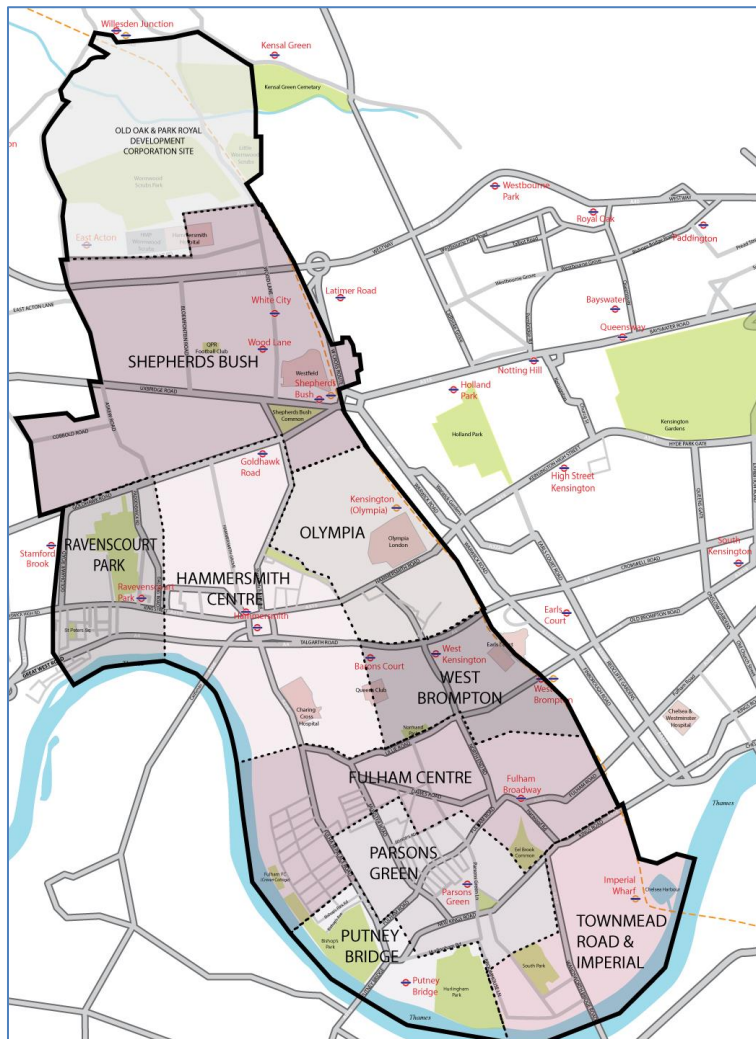
- 4.7. In the London Office Policy Review 2012 (LOPR12) they conclude that an 8% availability rate is a pivotal measure for the London office market. Rates above 8% offer occupiers a wider choice of accommodation with the tendency for rents to fall, especially when availability is rising and wider choice is anticipated. If availability rates are below 8%, and falling, then there is a tendency for rents to rise, reflecting a narrower choice of accommodation. This conclusion is backed up by the fact that as availability rose to above 8% in 2009 rents fell but as it fell steadily rents rose in 2011 in London. In LBH&F the rents have doubled between 2009 and 2015 in central Hammersmith from approximately £25 to £50 per sq ft where supply decreased to 1.5% in Q1 2015.

AN OVERVIEW OF COMMERCIAL PROPERTY IN HAMMERSMITH AND FULHAM

- 4.8. The main commercial occupiers are retail and offices with fewer occupiers of light industrial. The profile of the office market varies across the Borough and can be identified with specific features of demand, tenant profile and values. As with all markets, the Borough provides a mix of stock from small mews style office buildings scattered across the Borough, to larger purpose built office developments or converted warehouses in the core commercial clusters. LBH&F has a full cross-section of business types but in the same way as the City of London is known for its financial services, so LBH&F is more known for its media companies, perhaps because of the historic presence of the BBC in the north of the Borough. The proximity to the West End and Heathrow via the four Underground lines and the A4/M4, and the number of company owners or principals who live in the neighbouring affluent residential areas are driving factors in the success of this office location.

SUBMARKETS

4.9. We have divided The Borough into the following submarkets:



Hammersmith Town Centre and its hinterland (Hammersmith)

Shepherds Bush and White City (Shepherds Bush)

Fulham Town Centre (Fulham)

Kensington Village, West Kensington and Kensington Olympia (Olympia)

Ravenscourt Park and Stamford Brook (Ravenscourt Park)

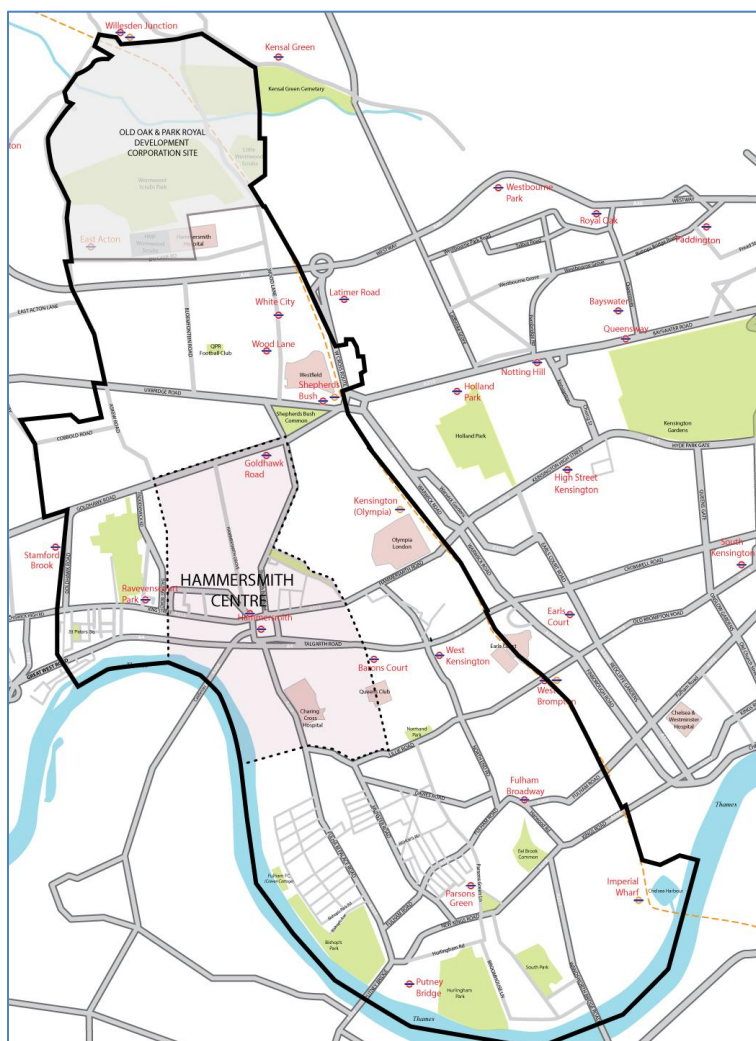
Parsons Green and Peterborough Road (Parsons Green)

West Brompton

Putney Bridge

Townmead Road, Chelsea Harbour & Imperial (Townmead Road & Imperial)

Hammersmith town centre and its hinterland



- 4.10. This area occupies the centre of the Borough and is the most significant office market in LBH&F in terms of supply mainly because of its excellent transport links, with Hammersmith Broadway providing London Underground access to the Piccadilly, District, Circle and Hammersmith & City Lines, the bus station and the A4 for road access to the West End and Heathrow Airport.
- 4.11. This submarket has a Public Transport Accessibility (PTAL²) rating of 6b, which is the highest possible rating.

² (PTAL) is the public transport accessibility level which is a method used in UK transport planning to assess the access level of geographical areas to public transport where 1 is low accessibility and 6 high accessibility.

- 4.12. This submarket features some of the larger and newer office buildings in the Borough and the larger floor plates and higher specification offices available in this location have attracted larger companies such as L'Oréal, Walt Disney, Betfair, CH2M Hill, Sony Ericsson, Immediate Media, Fox TV, UK TV, Phillip Morris and Chivas Brothers.
- 4.13. We consider that the office market perceives the extent of the town centre to be centred on Hammersmith Broadway and extending along Hammersmith Road to North End Road to the east, northwards along Shepherds Bush Road to Brook Green to the north, Ravenscourt Park to the west and to Rainville Road in the south.
- 4.14. Historically employment in Hammersmith town centre was from Riverside industrial processes as well as the 2 acre Lyons Factory at Cadby Hall Hammersmith Road and George Wimpey, the contractor's purpose-built HQ at Hammersmith Grove. Hammersmith town centre's offices therefore comprise some converted industrial and warehouse buildings as well as purpose-built buildings.
- 4.15. Below we have listed the main converted industrial, warehouse, school and hospital properties in Hammersmith town centre and its hinterland.

Name and/or Location	Size sq m	Size sq ft	Description
202 Hammersmith Road	1,358	14,618	Former West London Hospital converted to 1,358.01 sq m (14,618 sq ft) of offices and let to Sony Ericsson, the mobile phone company.
27 Hammersmith Grove	5,574	60,000	27 and 26 & 28 Hammersmith Grove: Former George Wimpey HQ spanning across both sides of Hammersmith Grove converted to offices.
26 and 28 Hammersmith Grove	18,580	200,000	<ul style="list-style-type: none"> 27 - office building let to Winton Capital Management, a financial company 26 and 28 - multi-let office property.
44 Brook Green	4,877	52,500	43 and 44 Brook Green and Lyric House, 149 Hammersmith Road: These are former Lyons Factory buildings are now converted to offices:
43 Brook Green	7,961	85,700	<ul style="list-style-type: none"> 44 Brook Green - let to Immediate Media (formerly BBC Magazines) 43 Brook Green - is let to the engineers, CH2M Hill Lyric House - is a multi-let office building
Lyric House, 149 Hammersmith Road	2,368	25,500	
50 Brook Green	5,783	62,250	Former St Mary's school that is let in 5 separate buildings to companies such as Pearlfisher (marketing), Omnifone (music technology) and Charlotte Tilbury (cosmetics)

Name and/or Location	Size sq m	Size sq ft	Description
Colet Court, 100 Hammersmith Road	4,148	44,652	Former St Paul's dormitory that has been converted to a multi-let office building including tenants such as Pringle of Scotland, Parker Pens and Liz Earle.
Thames Wharf Studios, Rainville Road	4,124	44,400	Former oil depot previously occupied and converted by Richard Rogers architects but recently consented to conversion to a residential led scheme.
184 Shepherds Bush Road	10,683	115,000	Former Osram Lamp Factory that has recently been consented to be extended by 3 floors and pre let to Dunn Humby, a marketing company.
The Aircraft Factory, 100 Cambridge Grove	6,781	73,000	Former WW1 Alliance Aircraft Factory converted to a warehouse style office campus.

4.16. Below are listed substantial purpose built office buildings:

Name and/or Location	Size sq m	Size sq ft	Description
10 Hammersmith Grove	11,148	120,000	Office building that completed in Summer 2013 and multi-let to Fox TV, UK TV, Phillip Morris.
12 Hammersmith Grove	15,514	167,000	A new office building due for completion in Q3 2015 and available to let.
The Triangle, Hammersmith Grove	4,476	48,179	The buildings are due for demolition and rebuilding in 2017.
Britannia House, Hammersmith Grove	1,762	18,962	
One Lyric Square	8,221	88,500	An office tower that may be redeveloped in 2016/2017 following a lease expiry to Avanta (serviced offices).
The Ark, 201 Talgarth Road	15,467	166,500	An office building owner occupied by GE Capital.
1 Queen Caroline Street	7,432	80,000	An office formerly Coca-Cola's HQ just refurbished for let in Q3 2015.
3 Queen Caroline Street	25,733	277,000	A purpose built office occupied by Walt Disney.
77 Fulham Palace Road	17,127	184,363	An office estate formerly let to Harper Collins being refurbished to let in summer 2016.
Landmark House and Thames Tower	12,077	130,000	Multi-let offices formerly occupied by Diageo PLC recently purchased by a Malaysian developer.
255 Hammersmith Road	9,755	105,000	A purpose-built office building let to L'Oréal.

Name and/or Location	Size sq m	Size sq ft	Description
245 Hammersmith Road	15,793	170,000	A purpose built building formerly let to Bectel but being extended to create 170,000 sq ft in 2017.
3 Shortlands	15,607	168,000	A 1970's multi-let constructed office tower.
Griffin House, 161 Hammersmith Road	8,175	88,000	Recently upgraded multi-let office building with tenants including Virgin Media.
210 Hammersmith Road	6,038	65,000	Purpose-built multi-let offices.
80 Hammersmith Road	3,874	41,702	Multi-let offices.
78 Hammersmith Road	865	9,311	Multi-let offices.
76 Hammersmith Road	4,586	49,375	Multi-let offices.
68-72 Hammersmith Road	15,904	171,199	Offices occupied by Harrods head office and Regus (serviced offices).
66 Hammersmith Road	4,579	49,287	Multi-let office building.
Brook House Shepherds Bush Road	2,572	27,688	Multi-let office building.
227 Shepherds Bush Road	1,021	11,000	Multi-let office building.
Hythe House, 200 Shepherds Bush Road	5,063	54,500	Multi-let office building.
1 King Street, 1-15 King Street	3,471	37,370	Multi-let office building, extended in 2015.
Space One, 1 Beadon Road	1,904	20,500	Office building overlooking Lyric Square.
Metro Building	10,147	109,230	Multi-let offices, tenants include Medidata and Bazaarvoice.
1 Sussex Place	2,693	28,985	Multi-let office tower next to A4 owned and occupied by Notting Hill Housing Trust.
Chivas House, 72 Chancellors Road	2,787	30,000	Office building overlooking the River and let to Chivas Brothers.
1 Manbre Road	7,153	77,000	Office building overlooking the River and let to WWAV Rapp Collins
Hammersmith Embankment	8,477	91,248	Multi-let offices, overlooking the River with tenants including Betfair and Deutsche Telecom.

Other office supply

- 4.17. These include smaller courtyard office schemes, smaller stand-alone self-contained office buildings, converted shops, converted mews and offices above retail premises. The smaller properties are more often converted through the new Permitted Development planning legislation. Introduced on 30th May 2013 as they are the simplest to convert to residential due to smaller floor plates. As set out later in this report 51% of the number of buildings converted

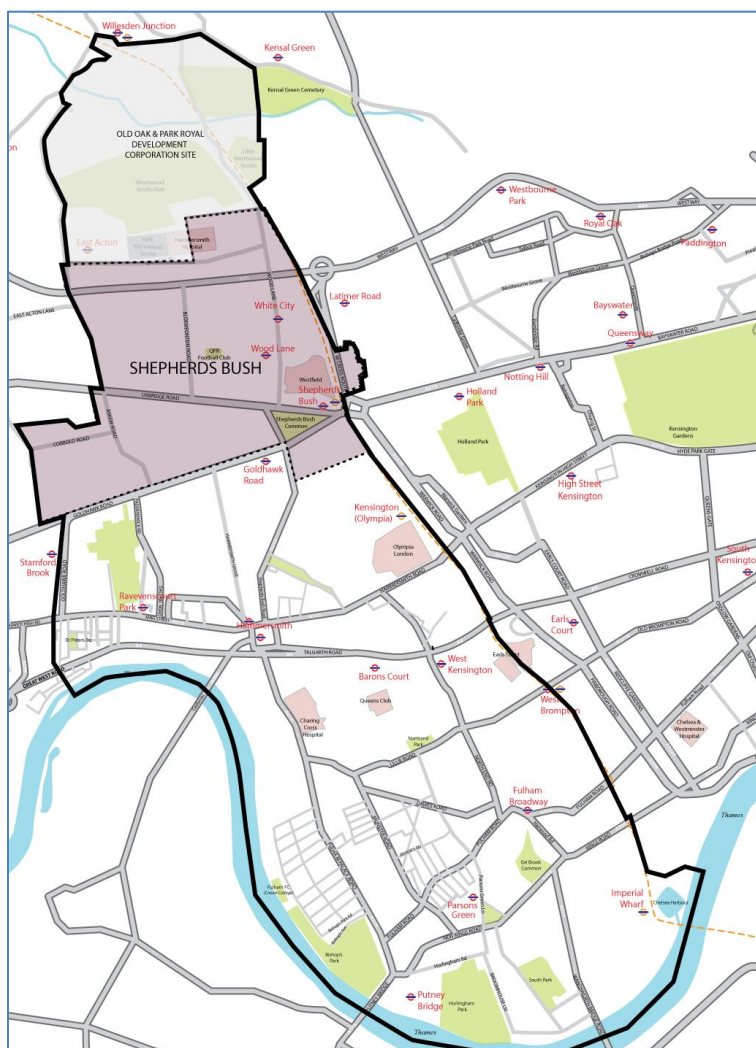
in LBH&F has been below 100 sq m (1,076 sq ft) whereas only 1% has been over 1,000 sq m (10,760 sq ft).

4.18. Courtyard schemes are Cambridge Court, 210 Shepherd's Bush Road a 2,287.85 sq m (24,627sq ft) scheme of 15 buildings, King Street Cloisters, some of which have begun to be converted to residential, Albion Court, Albion Place, Galena Road. Mews are Glenthorne Mews and Barb Mews and Hammersmith Studios in Yeldham Road. Offices above shops include Broadway Studios, numerous upper parts in King Street including 96 and 98 and 150-152 King Street and 2 Bridge Avenue.

4.19. Below is a list of recently demolished offices:

Name and/or Location	Size sq m	Size sq ft	Status
45 Beadon Road	5,772	62,140	A purpose built office building that was previously let to United International Pictures. This was demolished as part of the construction of a residential scheme called Sovereign Court with no replacement offices.
The Phillips Building Glenthorne Road	2,800	30,140	This was demolished to be replaced by a residential block, Gooch House with no replacement offices.
Guardian House Glenthorne Road	2,627	28,274	This was demolished and a new residential scheme is under construction with no replacement office supply.
Hammersmith Palais	2,787	30,000	This was granted consent for offices but then planning consent was granted for student accommodation with no replacement supply of offices.

Shepherds Bush and White City



- 4.20. This area occupies the northern part of the Borough and is a significant office market in LBH&F that has changed dramatically because of the development of Westfield London from 2009 and the further development of the Westfield London extension, the redevelopment of the BBC TV Centre and BBC Media Village by Stanhope and the construction of the Imperial West Campus by Imperial College London. Transport has also improved following the construction of the Overground station at Shepherds Bush and so this is a far more important office centre than pre 2009. The area is popular with office occupiers because it has excellent transport links, with Shepherds Bush (Central Line and Overground) White City (Central Line) and Wood Lane, Shepherds Bush Market and Goldhawk Road Circle and Hammersmith and City Line Underground stations.
- 4.21. This submarket has a PTAL rating of 6a/b.
- 4.22. This submarket features some of the larger and newer office buildings in the Borough and has a substantial pipeline through the redevelopment of the BBC TV centre, Media Village (now called White City Place) and The Research and Translation Building, a 17,047 sq m (183,500 sq ft) purpose built building under construction by Imperial College London. Existing stock includes the

converted 13,935.5 sq m (150,000 sq ft) tax office, Shepherds Studios, which is a multi-let office building occupied by tenants such as Endemol Shine and Mulberry. We consider that the office market perceives the extent of the Shepherds Bush and White City submarket to be south of the Westway to Goldhawk Road and Netherwood Road, east to the West Cross Route and West to Hammersmith Grove and Askew Road.

4.23. Historically BBC TV Centre has drawn other, smaller TV companies to this area as well as this areas proximity to the fashion and music hubs of the adjoining Borough, Royal Borough of Kensington & Chelsea.

4.24. Below we have listed the main office buildings in this sub market:

Name and/or Location	Size sq m	Size sq ft	Description
The Shepherds Building, Rockley Road	13,935	150,000	This multi-let office building was converted from a tax office in 2000. Tenants include companies such as Endemol Shine (TV), Mulberry (fashion) and Jellycat (toys) but there is smaller, incubator studio space for young companies.
BBC TV Centre, Wood Lane			The BBC Television Centre Masterplan transforms the existing iconic 14 acre site into a mixed-use development that combines office and studio space for the BBC with a range of other uses including entertainment and leisure facilities, a Soho House, boutique hotel and residential as well as public open space. The listed buildings, including the famous Television Centre forecourt and façade, Studio 1 and the central Helios Plaza will be retained.
Television Centre 2	25,362 Ave per floor: 3,251	273,000 Ave per floor: 35,000	The office element to be let is a new building called Television Centre 2 that will take up one side of the site's famous forecourt. It will have 9 floors of office accommodation. Practical completion is expected in Q4 2017.
Television Centre 3	10,497	113,000	A further 11 floor property will only commence if a pre-let is secured.

Name and/or Location	Size sq m	Size sq ft	Description
White City Place, Wood Lane This will comprise:	6 existing buildings: 88,255	6 existing buildings: 950,000	<p>In addition to the BBC TV Centre Stanhope are converting and refurbishing the former BBC Media Village Estate.</p> <p>White City Place sits on 17 acres of land adjacent to the Imperial College campus. It comprises 6 existing buildings and a 4-acre development site.</p> <p>Stanhope's plans include the total refurbishment and repositioning of 3 existing buildings as well as the potential development of new office buildings. The BBC will remain in Broadcast Centre overlooking the A40 and the Lighthouse overlooking Dorando Close at the back of the estate but have vacated the other three buildings.</p>
Garden Building	3,623 Floor plates: 1,207	39,000 Floor plates: 13,000	Overlooking Dorando Close at the back of the estate this 3 floor property will be refurbished to let for Q1 or Q2 2016
The Media Centre	21,553	232,000	Set back from the entrance in South Africa Road this office building with 6 floors will be refurbished to let in Q3 2016.
White City One	27,870	300,000	Fronting Wood Lane this property undergoing a substantial refurbishment including recladding and should be ready to let in Q1 2017.
The total stock added to the market on the west side of Wood Lane by 2017 is therefore 80,265.6 sq m (864,000 sq ft).			
The masterplan also has 2 further 250,000 sq ft plots earmarked in the pipeline beyond 2017 called plots 7 and 8 at the front of White City Place, north of South Africa Road.			

Name and/or Location	Size sq m	Size sq ft	Description
Imperial West (North)	114,313	1,230,475	Situated immediately north of the A40 Westway, Imperial West (North) will create a 3.04 hectare (7.5 acre) mixed-use campus centred on the occupational requirements of Imperial College London. From 2009 an 114,313 sq m (1,230,475 sq ft) masterplan was created.
	21,520	231,641	Construction of the first phase of the project began in Q1 2011 and completed in September 2012, comprising postgraduate residential accommodation, alongside family apartments for college researchers, lecturers and trainee doctors.
	92,793	998,834	The balance of the Imperial West Masterplan will provide six high quality buildings incorporating a range of uses including research and academic facilities, residential as well as some B1 commercial space.
The Translation Building Imperial West (North)	17,047	183,500	A new B1 building is under construction and will be complete in summer 2016. The 4th to 11th floors will be available to let for summer 2016.
Imperial West (South)	92,903	1,000,000	<p>The former Dairy Crest site of 11.5 acres has now been consolidated with Imperial's other holdings that they bought from the BBC to give them 22.75 acres in White City in total.</p> <p>In terms of future B1 office development, having consulted Imperial, they have told us they expect to bring 40% of the Imperial West (South) site to the market between 2022 and 2030. This could comprise approximately 1,000,000 sq ft. The remaining 60 % will be 40% occupied by Imperial themselves and 20% for residential.</p>
Ugli Campus, 56 Wood Lane	5,574	60,000	Former BBC buildings are now multi-let on short term tenancies but also owned by Imperial and so will be included in the Imperial West campus.

Name and/or Location	Size sq m	Size sq ft	Description
Former M&S site, 54 Wood Lane	Maximum overall floor space proposed: 151,425	1,629,925	<p>M&S used these warehouses as 'mock up shops' to test retail layouts.</p> <p>Outline and detailed consent for part of the site has now been approved for a comprehensive redevelopment by house builder Berkeley St James Group for a residential led scheme. The maximum overall floor space proposed for the Site is 151,425 square metres GEA (excluding basement floor space of 37,875 square metres GEA). This includes both the detailed and outline components of the application.</p> <p>There is a detailed planning application for up to 37,135 sq m (400,000 sq ft) GEA new residential floors property with ancillary residential facilities (C3) (excluding basement floor space); up to 1,995 sq m (21,474 sq ft) (GEA) flexible commercial floor space (A1-A5), community (D1) and leisure (D2) (excluding basement floor space and outline planning application (with all matters reserved) for up to 112,295 sq m (1,208,743 sq ft). (GEA) residential floor space and ancillary residential facilities (C3) (excluding basement area), flexible commercial (A1-A5), office (B1) use, community (D1) and leisure (D2) floor space; provision of a new basement level</p>
White City House 74 Wood Lane	1,595	17,174	A 1980 constructed office/light industrial building owned and occupied by Yonex, a Japanese sports equipment manufacturer.
The Lawns Shepherds Bush Green	2,272	24,466	This is an owner occupied office property.
Union & Threshold House 65-73 Shepherds Bush Green	3,483	37,500	This is the former BBC office and this is now a multi-let office building.
BPP House, Aldine Place, 142-144 Uxbridge Rd	2,099	22,600	An office tower tucked behind Uxbridge Road occupied for the offices of BPP that provide business and professional courses.
Westfield London First floor	11,524	124,044	Probably because gym users and restaurants were not prepared to pay as much as local office rents for some of the 1st floor of the shopping centre, Westfield fitted them out as offices and let them to companies such as Net a Porter and The Licencing Company in 2010.

- 4.25. Other office supply is smaller courtyard office schemes, smaller stand-alone self-contained office buildings, converted shops, converted mews and offices above retail premises. These have been the most at risk to conversion by the new Permitted Development planning legislation introduced on 30th May 2013 as they are the simplest to convert to residential due to smaller floor plates.
- 4.26. Courtyard schemes are Woodstock Studios. Mews are Goldhawk and Poplar Mews. There are offices above shops in Uxbridge and Goldhawk Roads.
- 4.27. Loss of B class supply through planning consents include

Westfield Extension, Ariel way

Originally outline planning consent was granted on the 5th September 2014 for the comprehensive redevelopment of the site comprising a retail led mixed use scheme to include demolition of existing offices and warehouses and the construction of new buildings (ranging from 2 - 23 storeys) to provide up to 61,840 sq m (net increase) retail use (A1) including an anchor department store; up to 8,170 sq m restaurant and café use (A3 - A5); up to 2065 sq m office use (B1); up to 1,600 sq m community/health/cultural use (D1); up to 3500 sq m leisure use (D2); and up to 1,347 residential units (up to 127,216 sq m (C3); plus creation of a basement, an energy centre together with ancillary and associated development, new pedestrian routes and open spaces, cycle parking, car and motorcycle parking and vehicular access and servicing facilities.

The consent required a minimum of 2,000 sq m (21,528 sq ft) of D2 use (leisure use) and a maximum of 3,500 sq m. There was no minimum for B1 use but a maximum of 2,065 sq m (22,228 sq ft). Subsequently in October 2015 the consent was varied to change the appointment of land uses which included the deletion of the 2,065 sq m (22,228 sq ft) B1 office land use.

The site is 7.64 hectares to the north of the existing Westfield London Shopping Centre. The Site lies partly within and immediately adjacent to Shepherds Bush Town Centre. The previous uses were:

White City Industrial Estate, Ariel Way and Silver Way

Covering the majority of the extension site was this estate. It has now been demolished as part of the construction of the next phase of Westfield London.

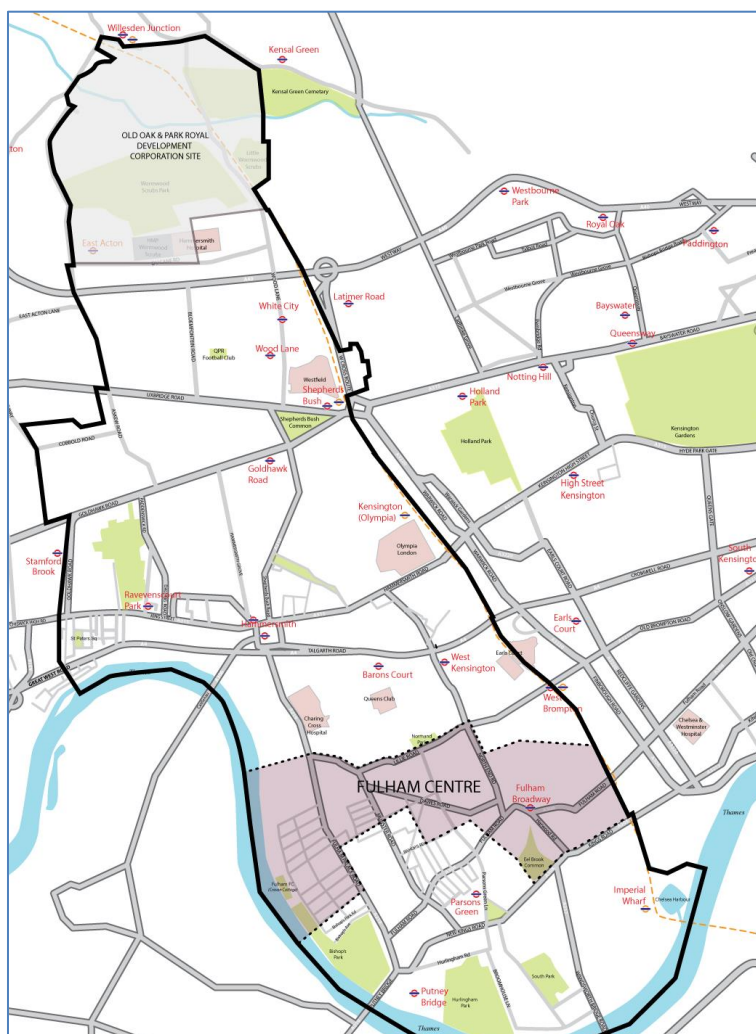
The White City Industrial Estate which comprised a number of single storey buildings occupied by a range of industrial warehouse and office uses falling within Use classes B1, B2 and B8. Office occupiers included shirt company, Charles Trywhitt.

Network House, 1 Ariel Way

To the west of the White City Industrial Estate, facing onto but set back from Wood Lane, was Network House, a seven storey purpose built office block 1,858 sq m (20,000 sq ft) that was previously let to Zodiac TV (now part of RDF Media in Kensington Village).

The southern part of the site already provided the car park access and servicing access to the existing shopping centre. The site excludes the White City Bus Station and the Grade II listed DIMCO Buildings, which lie immediately to the south of Ariel Way and immediately to the east of Wood Lane Underground Station.

Fulham Town Centre

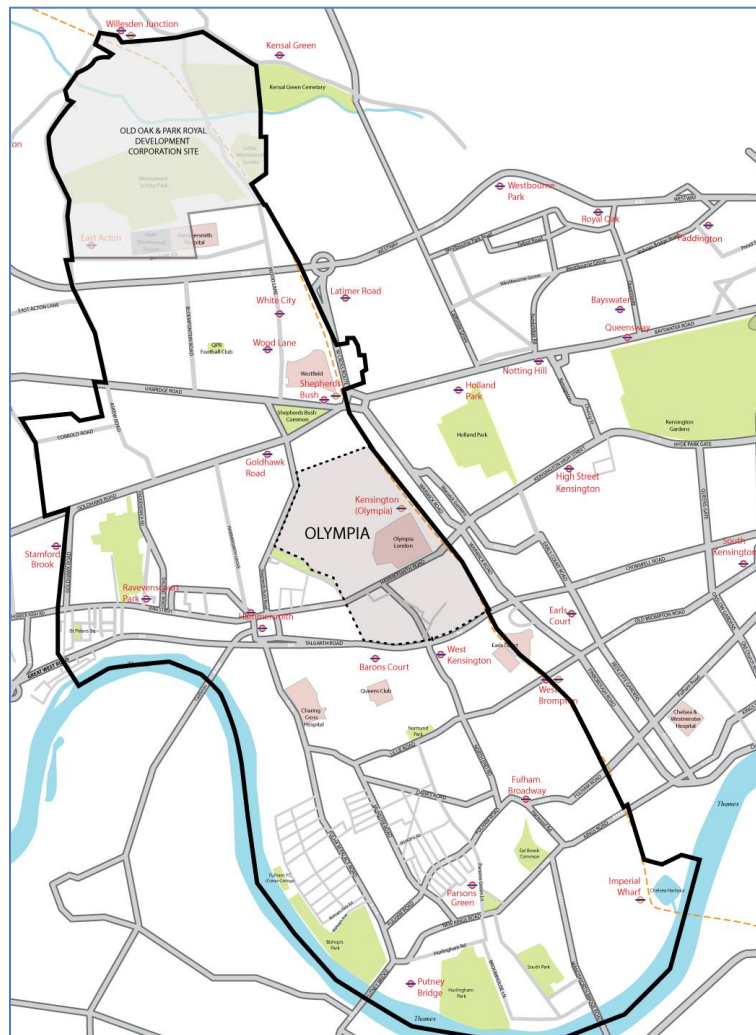


- 4.28. This area occupies the town centre of Fulham and has developed as an office centre because of the shops and amenities of this area and it's Zone 2 District Line Fulham Broadway Underground Station. It comprises mostly upper parts of retail property in the town centre as well as smaller courtyard style offices.
- 4.29. This submarket has a Public Transport Accessibility (PTAL) rating of 5.
- 4.30. We consider that the office market perceives the extent of the Fulham town centre sub market to be centred around Fulham Broadway towards West Kensington at North End Road to the north, south to New Kings Road and Kings Road, east to the railway line and west to Munster Road.

4.31. The main office buildings in this sub market are:

Name and/or Location	Size sq m	Size sq ft	Description
20 Fulham Broadway	1,300	14,000	Upper section of this purpose-built mixed retail and office building that is let to Universal Music Publishing.
The Blue Building 38-40 Vanston Place	1,189	12,800	Upper section of a converted mixed use retail and office building that is multi let to Billington Carmell Ltd, an advertising agency.

Kensington Village, West Kensington and Kensington Olympia



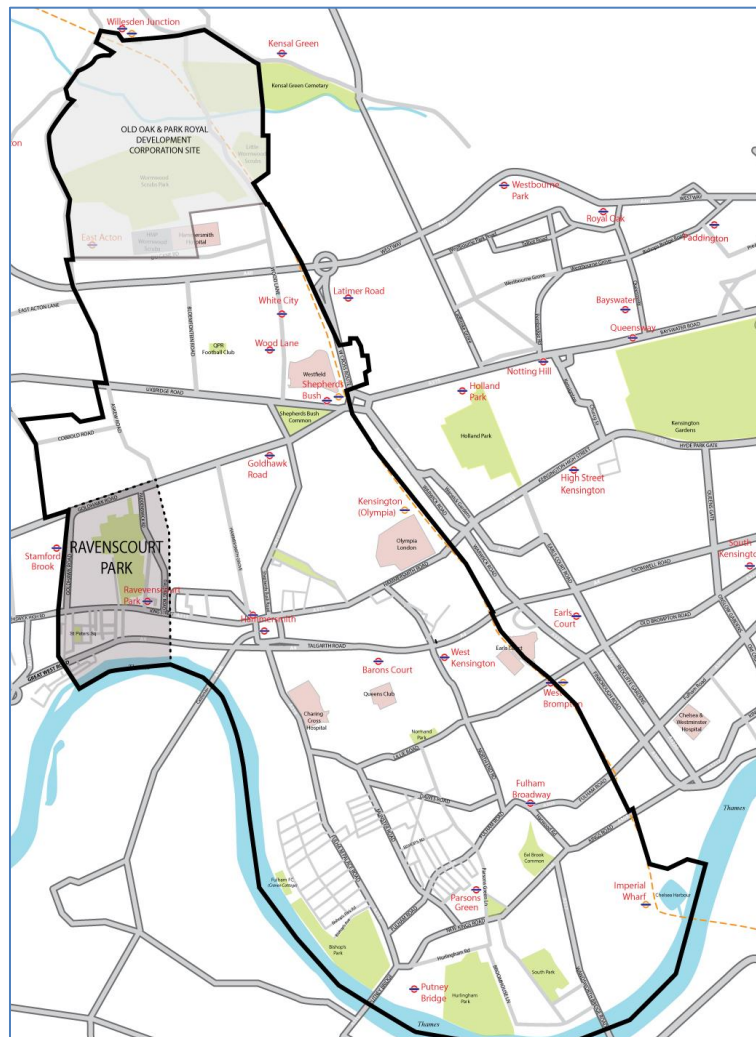
- 4.32. This area occupies the east of the Borough and is an improving office market in LBH&F because of the improved transport on the West London Line since 2012 following the increased number of trains connecting Kensington Olympia Overground Station to Shepherds Bush and Willesden Green to the north and West Brompton, Imperial Wharf and Clapham Junction to the south. Kensington Village is the largest office estate in this submarket.
- 4.33. This submarket has a PTAL rating of 6a.
- 4.34. We consider that the office market perceives the extent of this market to be east of Gliddon Road to the Borough boundary which is the railway with the underground Chelsea Creek below and south of Hammersmith Road to the A4.
- 4.35. The 28,938 sq m (311,500 sq ft) Kensington Village is the largest estate in this sub market. It comprises converted warehouses that were the 19th century Whiteley's Depository buildings as well as purpose built office buildings, all surrounding a garden, café and gym. Occupiers include Publicis, the PR and advertising company, Universal Music, RDF Television and CACI (Market research). The estate has been fully let since 2013.

4.36. Also in this sub market is:

Name and/or Location	Size sq m	Size sq ft	Description
Exhibition House Addison Bridge Place	3,991	42,968	A multi-let purpose built office building.
1 Blythe Road	453	4,870	Occupied by Rocket Music, Elton John's label.
Berghem Mews Blythe Road	2,534	27,273	A multi-let courtyard scheme.
103-115 Hammersmith Road	2,859	30,780	There is a office scheme above the retail at 103-115 Hammersmith Road. Just south of here is the 724.16 sq m (7,795 sq ft) former West London Magistrates Court and the 633.58 sq m (6,820 sq ft) purpose built 31 Vernon Street both leased to Football Radar.
Nomis Studios 43-55 Sinclair Road	3,529	37,922	A 4 floor converted, period office property.

4.38. The surrounding area also has the Borough's higher residential values.

Ravenscourt Park and Stamford Brook

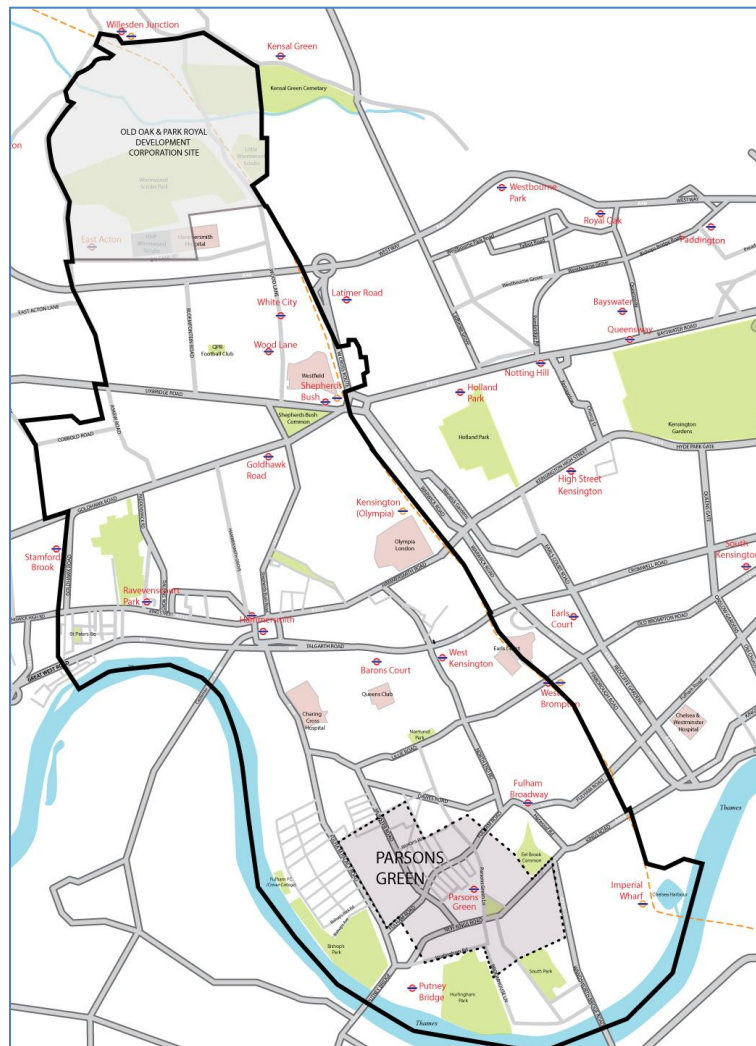


- 4.39. This area occupies the west of the Borough and is an improving office market on the boundary of Chiswick because of the District Line Stations, the restaurant, pub and local facilities locally and the refurbishment and improvement of the buildings
- 4.40. We consider that the office market perceives the extent of this market to be from Goldhawk Road and British Grove to the west to Dalling Road and Paddenswick Road to the east. The River is the southern boundary and Bath Road to the north.
- 4.41. There are good, Zone 2, District Line Underground Stations at Ravenscourt Park and Stamford Brook prior to the split to the Ealing and Richmond branches at Turnham Green if travelling west from the centre of London. These stations are 2 to 3 minutes journey time from Hammersmith Broadway with its additional Piccadilly, Circle and Hammersmith & City lines.
- 4.42. This sub market has a PTAL rating of 5.
- 4.43. Pubs and restaurants including The Carpenters, The Hampshire Hog and Cross Keys and the riverside pubs of the Black Lion, The Ship and The Dove. Restaurants include Tosa (Japanese) and What the Fish (Fish and Chips).

- 4.44. Amenities such as a post office, Artisan coffee and Davina's Italian Sandwich Bar.
- 4.45. The river and green space such as the park in St Peter's Square and Ravenscourt Park are nearby and this is a more pleasant less urban environment compared to Hammersmith Centre.
- 4.46. The main office buildings in this sub market are:

Name and/or Location	Size sq m	Size sq ft	Description
26 Paddenswick Road	1,588	17,104	Let to Lion (a TV company).
The Clockwork Building (formerly Riverview House) 46 Beavor Lane	3,715	40,000	Currently being refurbished and retro fitted to a warehouse style and available to let in Q2 2016
41 Beavor Lane	1,300	14,000	Purpose built former warehouse let to Bite (PR company).
Island Studios, 22 St Peters Square	2,043	22,000	Former recording studios multi-let to Lifschutz Davidson Sandilands (architects), Frost Meadowcroft (property consultants) and Legendary (film production).
3,4,5 and 6 Vencourt Place	1,393	15,000	A converted warehouse office scheme occupied by Skiworld and part let to Kelly Hoppen (interior design) and Brand Events.
Eyot Gardens House	2,322	25,000	A purpose built. office building occupied by Areen (architectural design).
401 King Street	2,272	24,460	A purpose built office building occupied by Quantas Airlines, and travel company, Journey Latin America.
Sovereign House 361 King Street	1,282	13,800	A purpose built multi-let office building.

Parsons Green and Peterborough Road



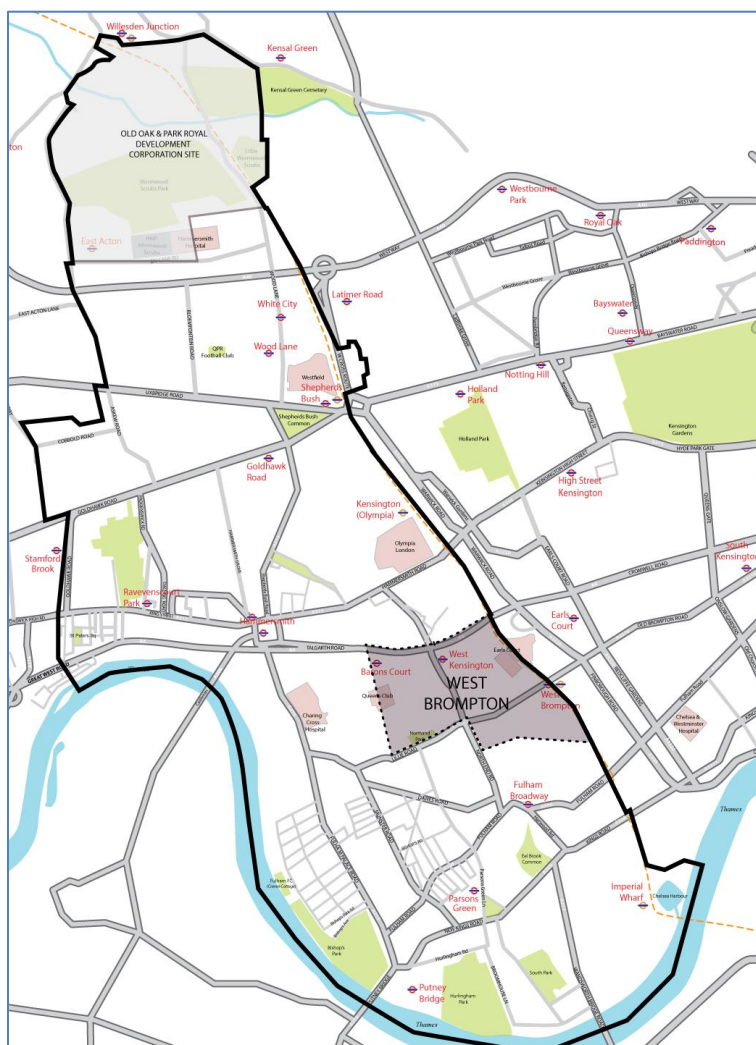
- 4.47. This area occupies the central south east of the Borough around the Zone 2 District Line Underground station of Parsons Green. In general the demand for offices in this submarket market here has improved since 2012 because of the refurbishment of the properties in this sub market and the loss of some of the supply locally to PD from 30th May 2013. Its success is access to the Zone 2 Underground Station, the good pubs and restaurants locally and shopping in the vicinity at Fulham Road and New Kings Road and the proximity to Chelsea to the east. This means a more pleasant, less urban environment compared to Fulham town centre or Hammersmith town centre for example.
- 4.48. Like most of the Borough the proximity to the residential locations favoured by principals and company owners in west London and western home counties influences companies locating here and in particular the fashion and interior design industries are prevalent as many fashion designers live locally and historically the New Kings Road is famous for antiques and interiors.
- 4.49. This submarket has a PTAL rating of 3.

4.50. We consider that the office market perceives the extent of this sub market to be south of Fulham Town centre to the lower section of Peterborough Road and east of the River including Munster Road until Fulham Town centre and the boundary of RBK&C.

4.51. This is a smaller office submarket. It's main office buildings are:

Name and/or Location	Size sq m	Size sq ft	Description
Coda Studios, Munster Road	6,038	65,000	A courtyard style office complex
Brigade House, 8 Parsons Green Lane	1,021	11,000	Office space over 3 floors above Little Waitrose. Change of use has been granted for this upper part to be converted to C3 residential.
Heathmans Road	8,639	93,000	A cluster of 25 warehouse style offices in Heathmans Road including the 2,787 sq m (30,000) sq ft Worx Building that is hired out for photography, filming and events and the 13,725 sq ft 7-9 Heathmans Road.
Alexander House 14-16 Peterborough Road	2,863	30,827	Part of a cluster of offices in Peterborough Road.
90 and 80 Peterborough Road	1,077	11,600	Part of a cluster of offices in Peterborough Road.
The Piper Centre, 50 Carnwarth Road	7,127	76,721	This comprises a multi-storey mixed-use building which accommodates retail, warehouse, office, light industrial and leisure space with residential apartments above. The tenants include Assael Architecture and Joseph Ltd, the fashion company.
Matrix Building, 91a Peterborough Road	3,538	38,084	A 2 floor office/recording studio music hub.

West Brompton



- 4.52. This area occupies the central east part of the Borough around the Zone 2 District Line Underground and Overground station of West Brompton including the development site of Lillie Bridge Depot and Earls Court 2 which abut the main Earls Court Exhibition centre in the neighbouring Borough of RBK&C. This sub market has excellent transport links, with Earls Court providing London Underground access to the Piccadilly Line as well as the District and Overground Station at West Brompton and the A4 for road access to the West End and Heathrow Airport.
- 4.53. We consider that the office market perceives the extent of this sub market to be centred on the station including Empress Place, Seagrave Road, Rickett Street and the eastern section of Lillie Road. This is a smaller office submarket. Its main office buildings are owned by the developers of Earls Court, Capital & Counties.
- 4.54. Like most of the Borough the proximity to the residential locations favoured by principals and company owners in west London and western home counties influences companies locating here and in particular the fashion and interior design industries are prevalent as many fashion designers live in Fulham and Chelsea in RBK&C.

- 4.55. This submarket has a PTAL rating of 6b.
- 4.56. Historically the office stock here has been poor quality but the improvement in demand since 2012 and the lack of supply means that in general the demand for offices in this submarket market will be good if new supply is built or the current office stock is improved. The planning application for the Masterplan for the development of Earls Court was granted permission in November 2013 and work has now commenced with the demolition of the Earls Court 1 convention centre however it is not the B1 office development that is being constructed first.
- 4.57. The Earls Court Masterplan is a 77 acre site based on the creation of 'Four Urban Villages and a High Street', a concept devised by architect Sir Terry Farrell. The developer, Capital & Counties, states that of the 27 acres of open space there will be will a 5 acre Lost River Park which will weave through the heart of the scheme along the tributary of the Thames, Counter's Creek and that detailed designs will include the latest sustainable technology and the Masterplan's 7,500 new homes will range from mansion blocks to family homes, loft-style apartments and affordable housing.

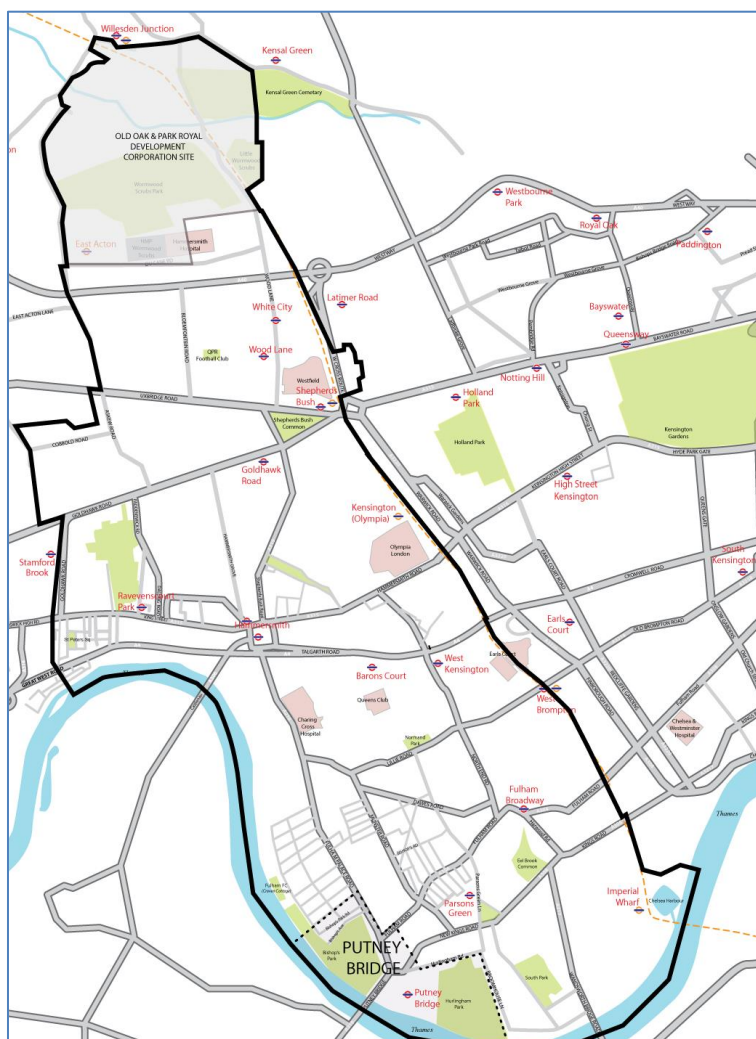
B1 (Office) Employment Use in the Earls Court Masterplan

- 4.58. The November 2013 outline planning permission is in 5 phases with the B1 employment uses not in the phases that must be commenced no later than 5 or 7 years but in the latter 3 phases that must be commenced by 10, 12 or 17 years from the outline consent. The consent includes:

Develop -ment Plot	This plot must not exceed:		Principle Use	Must commence no later than
	sq m	sq ft		
BW04	77,043	829,291	Principle land use business use (B1) and residential use (C3).	2023
BW06	45,023	484,628	Principle land use business use (B1) and residential use (C3).	2023
WK02	31,812	343,424	Principle land use business use (B1).	2030
WK03	40,485	435,780	Principle land use residential use (C3) and business use (B1).	2030

- 4.59. There are 3 other plots where the principle land use is residential (C3) but that office use can be part of the scheme but of the 16 plots 13 have a principle use of residential.
- 4.60. LBH&F has also granted detailed planning consent for Lillie Square, a residential scheme on the site of a car park on Seagrave Road and for Earls Court Village, together with consent for conversion of the Empress State Building from commercial to residential. None of these early schemes include any B1 employment use.
- 4.61. As the B1 completions are not expected to be completed for several years they will not therefore be able to meet any existing demand in the next 2 years, possibly much longer.
- 4.62. The conversion of the 40,105 sq m (431,700 sq ft) Empress Place State office building in Lillie Road will be a substantial loss of office stock for this market.

Putney Bridge

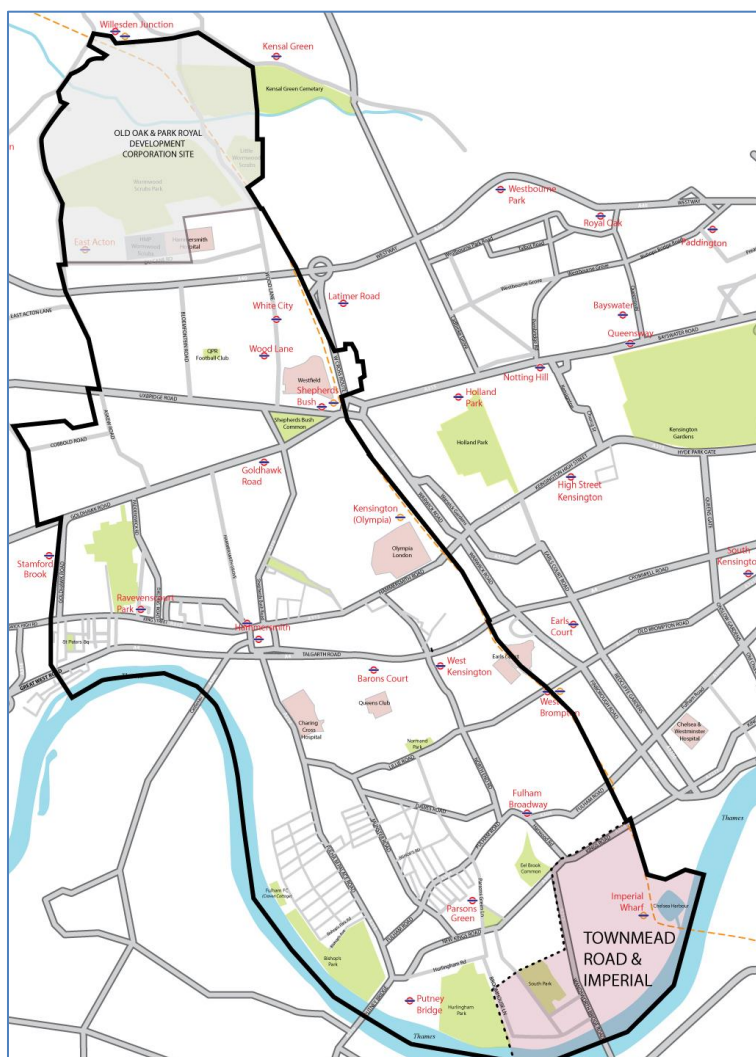


- 4.63. This area occupies the south of the Borough and has improved since 2012 due to the refurbishment of the properties in the sub market. Its success is access to the Zone 2 Underground Station at Putney Bridge, the good pubs and restaurants in the vicinity and at nearby Putney High Street has contributed to its success. The river provides a more pleasant, less urban environment compared to Fulham or Hammersmith town centre and many employees cycle along the river to work. There is reasonable road access to the A3 via Putney Hill (A219) for access to the west end and Surrey and the South Circular. Like most of the Borough the proximity to the houses of affluent directors in west London and western Home Counties influences companies locating here.
- 4.64. This submarket has a PTAL rating of 6a.
- 4.65. We consider that the office market perceives the extent of this sub market to be just north from the River, north along Fulham High Street to Fulham Road and east along New Kings Road to Munster Road. The main office estate is the 13,006 sq m (140,000 sq ft) Fulham Green.

4.66. This is a smaller office submarket. Its main office buildings are:

Name and/or Location	Size sq m	Size sq ft	Description
Fulham Green, 69-79 Fulham High Street	13,006	140,000	This 4 building office campus was refurbished over the course of 2 years. In the first building that was refurbished in Summer 2012 called Bedford House, 2,787 sq m (30,000 sq ft) was let to Clarion Events for £27.50 per sq ft. The last letting at the estate was in January 2015 and was at £43.80 per sq ft. This illustrates the lack of supply and change of rent profile in the last 3 years in this sub market. Other tenants include Scott Dunn (travel) and Sweaty Betty (sports clothing).
212 New Kings Road	2,229	24,000	A converted.6 sq m (sq ft) warehouse that is currently being refurbished to be let in Q1 2016.
The Point, 210 New Kings Road	2,326	25,040	A multi-let purpose built office property
Eysium Gate, 126-128 New Kings Road	3,530	38,000	A courtyard style office scheme that is multi-let in small sections.
Melbray Mews, 158 Hurlingham Road	1,936	20,839	A courtyard style office scheme that is multi occupied by different businesses in each building.

Townmead Road, Chelsea Harbour and Imperial



- 4.67. This area occupies the south east of the Borough and is an improving office market in LBH&F because of the improved transport on the West London Line since the opening of Imperial Wharf Station in 2009 and then in 2012, the increased number of trains connecting with West Brompton for the District Line Underground, Kensington Olympia Overground Station, Shepherd's Bush and Willesden Green and Clapham Junction to the south. Chelsea Harbour and Imperial Wharf are the largest office estates in this submarket.
- 4.68. This submarket has a PTAL rating of 3.
- 4.69. We consider that the office market perceives the extent of this market to be east of Wandsworth Bridge Road to the Borough boundary which is the underground river, Counters Creek and north from the River to the middle of Peterborough Road in Parsons Green
- 4.70. The submarket includes the office sections of the mixed use development at Chelsea Harbour including the 8,224 sq m (88,521 sq ft) Design Centre East and 6,933 sq m (74,629 sq ft) Harbour Yard. The other parts of this development include the Design Centre, a hotel, the marina and

residential property. Also within this submarket is the 3,972 sq m (42,757 sq ft) office element of the Imperial Wharf mixed retail, office and residential development.

- 4.71. This sub market adjoins the Lots Road Employment zone of the neighbouring Borough, Royal Borough of Kensington & Chelsea (RBK&C). This area has an industrial heritage with the majority of the offices in Lots Road being converted from warehousing and light industrial and both the Lots Road Power Station and Imperial Gas Holder sites are being redeveloped, the former for residential use and the latter likely to be residential led given it is owned by St William, the joint venture between National Grid and housebuilder Berkeley Homes. Chelsea Harbour was originally a British Rail Coal Yard and Victorian-era railway coaling dock on the River Thames. Imperial Wharf was previously the Imperial Gas Light and Coke Company Gas works.
- 4.72. The proximity of the fashion and interiors shops of Kings Road and New Kings Road has meant that the western section of this sub market has been predominantly fashion and design companies such as Jane Shilton and Laura Ashley.
- 4.73. The surrounding area also has the Borough's higher residential values.

The former Imperial Gasholder Site, Imperial Road

- 4.74. The disused gasholder site is located in Sands End, and falls within the LB Hammersmith and Fulham's South Fulham Riverside Regeneration Area. The gasholders are located between Imperial Road, Michael Road, Gwyn Close and the London Overground rail line at the rear of the site. The site is currently accessed from Imperial Road to the South and Michael Road to the West.
- 4.75. St William were granted planning permission by the London Borough of Hammersmith and Fulham on 12th November 2014 to dismantle five of the six gasholders. By removing the gasholders, National Grid have said that they will make way for the long-term regeneration of the site. The four Grade II listed buildings on the site, including Gasholder No. 2, the world's oldest gasholder, will be preserved and incorporated into a new outline masterplan for the site. They state that the long-term vision for the redevelopment of the site is for new homes, shops, offices and public spaces and have said that work on the gasholders will start in late 2015 and will be completed on a phased basis over a number of years.
- 4.76. Given the higher residential values locally and proximity to the interior designers of both Chelsea Design Centre and Kings Road it is our opinion that it is likely that the scheme proposed by the owners will be residential led with retail.

INDUSTRIAL WAREHOUSE SUBMARKETS

- 4.77. In White City, Old Oak and the parts of Park Royal in the Borough warehouses and industrial properties have strategically located there because of road access including the (A40) M41, West Cross Route and the A406 North Circular. In the rest of the Borough occupation of sites has been historic rather than strategic i.e. former industrial buildings have been converted to warehouse or light industrial use rather than purpose built because of good road and rail communications.

Fulham

- 4.78. The industrial and warehouse property area around Bagley's Lane and Imperial Road has an industrial heritage as Chelsea Harbour was originally a British Rail Coal Yard and Victorian-era railway coaling dock on the River Thames. Imperial Wharf was previously the Imperial Gas Light and Coke Company Gas works. Also the riverside area from Broomhouse Road in the west (along Carnwath Road and Townmead Road) to Lots Road in the east was gradually developed through the 1890s to take advantage of the river frontage. By 1916 it was a fully developed industrial area. The various wharves along Townmead, Imperial and Carnwath Roads hosted warehouses, factories, breweries, oil storage, chemical production as well as the power station at Lots Road. These uses continued right through until the early 1980s when the gradual decline of traditional industry led to the dereliction then clearance, change of use and redevelopment of the sites.
- 4.79. Substantial properties include:

Name and/or Location	Size sq m	Size sq ft	Description
71 Townmead Road	15,421	166,000	A 7 storey property occupied by Big Yellow Storage Company Ltd.
The Piper Centre, 50 Carnwarth Road	The commercial space totals: 7,127	The commercial space totals: 76,721	This comprises a multi-storey mixed-use building which accommodates retail, warehouse, office, light industrial and leisure space with residential apartments above. The tenants include Assael Architecture and Joseph Ltd, the fashion company.
27 Bagleys Lane	5,932	63,863	A 2 floor warehouse and car park occupied by Laura Ashley.
1-18 Parsons Green Depot, 33-39 Parsons Green Lane	5,059	54,462	A light industrial and warehouse estate that is multi let.
Albert Wharf, Swedish Wharf and Comley's Wharf Townmead Road	5,032	54,174	Albert Wharf is currently occupied by car auction company, Fulham Motor Auction, Swedish Wharf is occupied by Fuel Oils Depot and used by Fuel Oils as a storage and distribution depot. Comley's Wharf is occupied by Cemex and used for concrete batching. The site has a combined size of 3 acres. The current approved proposal for this site is a residential led scheme that retains a wharf for Cemex.
Imperial Studios 3-11 Imperial Road	2,601	28,000	A multi-let period building sub divided into light industrial, studio and office units.
Old Clem's Forge 92-104 Carnwath Road	2,322	25,000	A multi-let industrial property including electrical companies Rexel UK Ltd and CEF Ltd

Name and/or Location	Size sq m	Size sq ft	Description
Carnwath Road Industrial Estate 17-31 Carnwath Road	5,330	57,381	A multi-let industrial estate with tenants including Howdens, Topps Tiles and Vaughan.

Hammersmith

- 4.80. The various wharves of Hammersmith Riverside hosted warehouses, factories, breweries, oil storage and chemical production and there were laundries at Spring Vale near Blythe Road. The gradual decline of traditional industry led to the dereliction then clearance, change of use and redevelopment of the sites. Some have been converted to office developments, more recently most have been converted to residential use. There are few substantial industrial, light industrial or warehouses left in Hammersmith so the stock is mainly railway arches that are not suitable for conversion to other uses.

- 4.81. The more substantial properties are:

Name and/or Location	Size sq m	Size sq ft	Description
89 Richford Street	1,300	14,000	A two floor light industrial property occupied by Dulux.
12 Wellesey Avenue	836	9,000	A light industrial property occupied by Nicolas Mee, an Aston Martin car servicing and sales company.

Shepherds Bush and White City

- 4.82. Warehouse and light industrial users strategically located to the White City Industrial Estate because of the road access to the A40 (M) and M41, West Cross Route giving good access to central London and the motorways for the rest of the UK.
- 4.83. As the site adjoined Westfield London, it has now been demolished as part of the construction of the extension to Westfield London. There are now few industrial, light industrial or warehouses left in Shepherds Bush or White City as the remainder have also mainly been converted to other uses, mainly retail and residential.

Recent Light Industrial/Warehouse Loss to other uses

Name and/or Location	Size		Description
White City Industrial Estate, Ariel Way and Silver Way	7.64 hectares	19 acres	This has been demolished as part of the construction of the next phase of Westfield London.
Former Dairy Crest Site, Wood Lane	4.65 hectares	11.5 acres	This was granted a residential led consent but has now been purchased by Imperial College.
54 Wood Lane	19,880 sq m	214,000 sq ft	This was a light industrial property formerly occupied by M&S as a 'mock up' shop for testing displays in their supermarkets. It has been sold for residential use.

Old Oak, Hythe Road, Scrubs Lane and Mitre Road

- 4.84. This is a considerable industrial area in the north west of the Borough, bounded by the London Overground Line to the north, the Grand Union Canal to the south, Scrubs Lane to the east and Old Oak Lane to the west. The northern part is dominated by railway lines meeting at the transport interchange of Willesden Junction. Historically engineering and manufacturing concerns flourished along Hythe Road and Scrubs Lane from the 1890s and the area was essentially fully developed by 1913. The late twentieth century saw a process of consolidation in which larger factories and offices were developed on amalgamated plots. Substantial properties include:

Name and/or Location	Size sq m	Size sq ft	Description
43 Hythe Road	71,997	775,000	The Car Giant site
24 Salter Road	7,199	77,500	The Marks & Spencer Depot.
149 Scrubs Lane	7,153	77,000	The 5 floor warehouse occupied by Big Yellow Storage.

- 4.85. As this part of LB Hammersmith and Fulham is now within the Old Oak and Park Royal Development Corporation it will not be included in this Employment Study except in reference to its impact on the rest of the Borough.

5. CURRENT SUPPLY IN THE WEST OF THE WEST OF END OF LONDON

- 5.1. The tables (4 & 5) below show the current supply of B use class accommodation in LBH&F and the neighbouring markets in the west of the West End of London. Table 4 shows the supply for the submarkets of LBH&F, and Table 5 shows LBH&F as a whole in comparison to its neighbouring markets.
- 5.2. There is a discrepancy between the supply recorded by the Valuation Office Agency (VOA) and that by Co-Star. Co-Star is a private database of UK commercial real estate that has researched the market for 20 years. The VOA records are the list of all commercial property for the purpose of recovering business rates. We think the discrepancy between the two databases is the fact Co-Star is a market database so supply that has never been marketed or registered on their system can be missed. Therefore in Table 4 below we have used data from the VOA rating list and in Table 5 below we have used data from Co-Star to analyse the other neighbouring markets as we do not have access to the VOA lists of these markets.

Table 4 below shows B (Use) Class Supply in October 2015 for London Borough of Hammersmith and Fulham in total and divided into its submarkets

Submarket	Size VOA - Office Only		Vacant and Available To Let		Vacant and Available To Let %
	sq m	sq ft	sq m	sq ft	
Hammersmith	453,858	4,885,290	5,140	55,327	1.13%
Shepherds Bush	226,152	2,434,283	26,106	281,000	11.54%
Olympia	103,877	1,118,121	1,514	16,300	1.46%
Ravenscourt Park	33,957	365,511	4,580	49,300	13.49%
Putney Bridge	61,727	664,422	N/A	N/A	N/A
Townmead Road & Imperial	50,369	542,167	285	3,070	0.57%
Parsons Green	35,375	380,777	1,050	11,300	2.97%
Fulham	29,563	318,219	0	0	0
West Brompton	8,876	95,544	0	0	0
Total: (Hammersmith & Fulham)	1,003,755	10,804,335	38,675	416,297	3.85%

Note: We have used the data from the VOA rating list to analyse all B class supply in LBH&F.

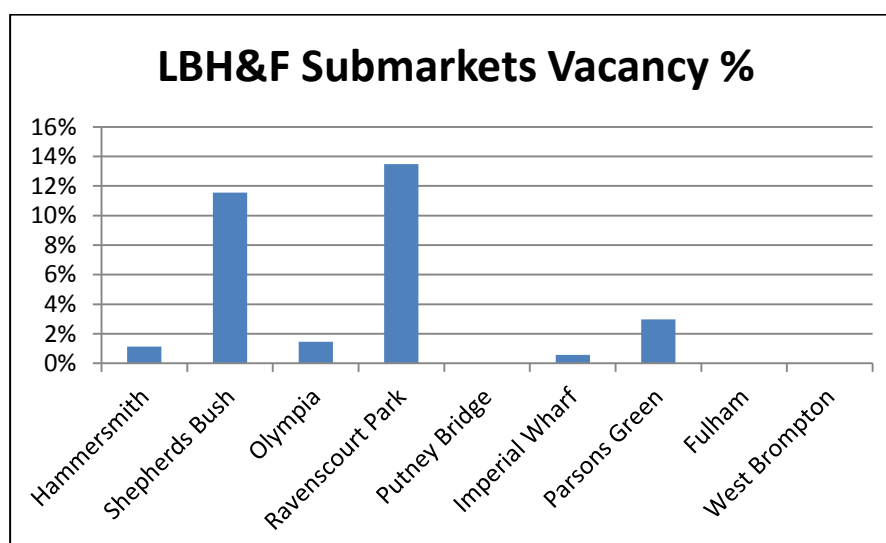
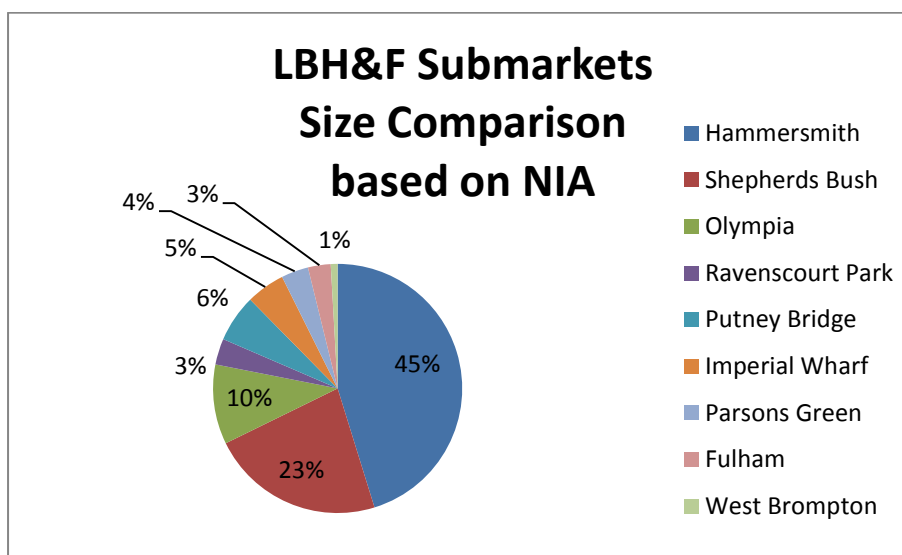
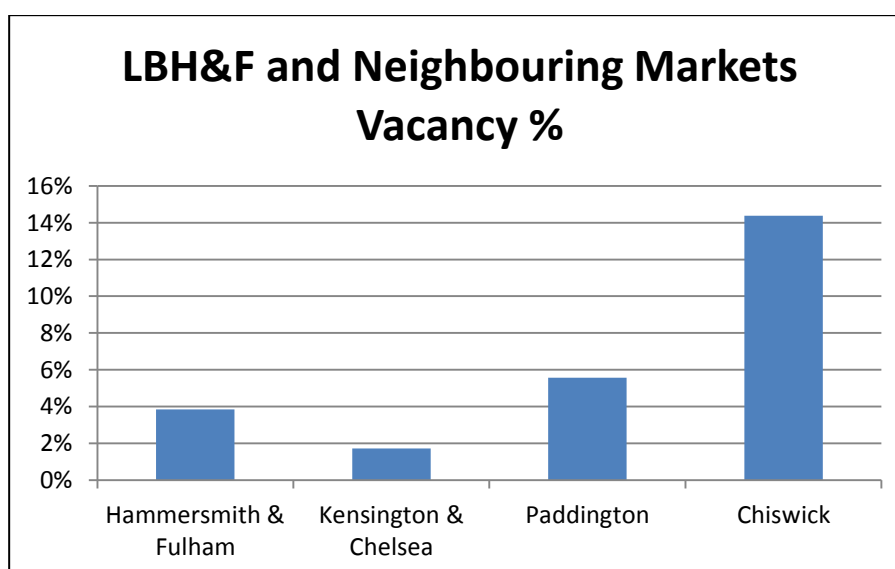
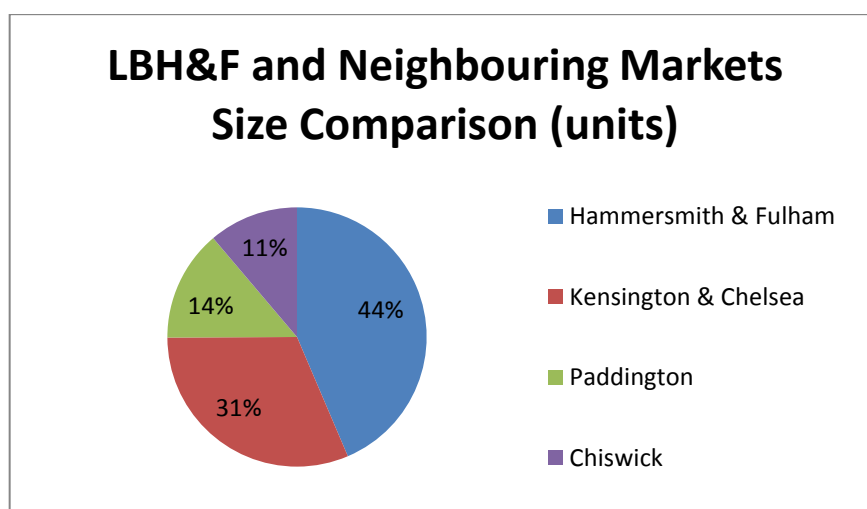


Table 5 below shows West of west end B (Use) Class Supply in October 2015 showing LBH&F and Neighbouring Markets

Neighbouring Markets	Size (data from Co-Star)		Vacancy		Vacancy %
	sq m	sq ft	sq m	sq ft	
Hammersmith & Fulham (from Table 4 above)	1,003,755	10,804,335	38,675	416,297	3.85%
Kensington & Chelsea	722,042	7,772,000	12,393	133,400	1.72%
Paddington	319,586	3,440,000	17,782	191,400	5.56%
Chiswick	257,806	2,775,000	37,061	398,920	14.38%
Total (all markets):	2,303,217	24,791,635	105,911	1,140,017	4.60%

Note: We have used the CoStar subscription database to analyse the other west of west end markets



- 5.3. Office availability is at an all-time low in the west of west end of London market. Our latest research shows the availability rate in the Borough of Hammersmith & Fulham is down to 3.85%. The neighbouring Royal Borough of Kensington & Chelsea is at 1.72%. Paddington has an availability rate of 5.56%, and Chiswick is at 14.38%. The figure for the West End is 4.4%.
- 5.4. When researching the LBH&F submarkets which we have defined and described below it is notable that there are two submarket anomalies to the otherwise consistent sub 4% availability, these are Ravenscourt Park & Stamford Brook and Shepherds Bush and White City. See Table 4.
- 5.5. The anomaly in Ravenscourt Park and Stamford Brook is mainly because the former 3,716.12 sq m (40,000 sq ft) Riverview House is being retrofitted as a new studio office for sale and to let called The Clockwork Building that will be completed in Q2 2016. This is a substantial property in a market with only 33,960.8 sq m (365,551 sq ft) of offices i.e. 11% of the supply.
- 5.6. The anomaly in Shepherds Bush & White City is the fact that in September 2015 Stanhope began marketing 2 substantial properties on the former BBC estate in Media Village, now called White City Place. This includes the 3,623.23 sq m (39,000 sq ft) Garden Building and a 23,225.76 sq m (250,000 sq ft) building previously called the Media Centre that is being refurbished and marketed for a practical completion in Q2. These are substantial properties in a market with 250,838.21 sq m (2.7m sq ft) of offices i.e. 10.7 % of the supply.
- 5.7. Unusually at the time of analysis in October 2015 there were no offices vacant and available to let or for sale in Fulham and West Brompton.
- 5.8. The total B use class stock in LBH&F is 1.2million sq m (12.87m sq ft) of which 10,804,335 is B1 offices (84%) and 2,066,000 is B8 warehouses and industrial (16%). In 2005 WS Atkins, in LBF&H's previous employment study, estimated the stock at 2.3 million sq m (24.76 m sq ft). In the 2010 rating list 114,041 sq m (1.2m sq ft) of this space is in the Old Oak and Park Royal Development Corporation. This means that B Class stock has reduced from £2.186m sq m (23.5m sq ft) to 1.2m sq m (12.87m sq ft). This is a loss of about 45% or just under half of the entire stock.
- 5.9. We estimate that 38,648sq m (416,000 sq ft) is vacant in the Borough which compares to WS Atkins' estimate of 126,348 sq m (1.36m sq ft) vacancy in 2005. Given that 38,276 sq m (412,000 sq ft) was taken up by occupiers from September 2014 to September 2015 this is approximately 1 year of supply if that rate of take up continues.
- 5.10. Whilst it relatively easy to ascertain levels of available commercial property being actively marketed, it is less straightforward to account fully for vacant property that is not being marketed. There can be many reasons as to why a property or a particular floor may be vacant for an extended period of time beyond the owner genuinely not being able to find a tenant for the vacant space. There can be other contributing factors such as a change in management or ownership resulting in a change in asset management strategy.
- 5.11. Contentiously, properties may be purposely left vacant by owners in order to demonstrate that the property is no longer 'fit for purpose' in its current use and therefore the property would be better served being converted to an alternative use such as residential.

- 5.12. If there were a part of the Borough with a higher density of vacant office property then this would indicate an area where the office market is not viable. This is not currently the case in the Borough with perhaps the small exception of the area around Jeddo Road. Here the PTAL rating is 1a and 2 and there has been a problem with vacancy in the vicinity and at neighbouring Warple Way just across the boundary in the neighbouring Borough of Ealing.

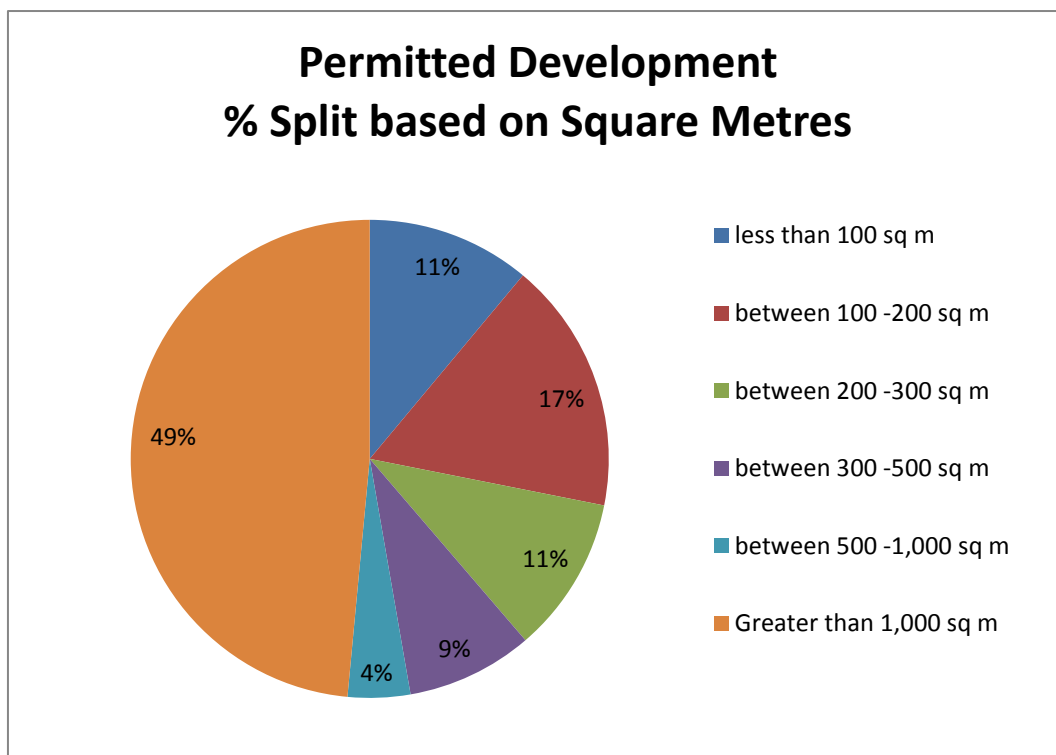
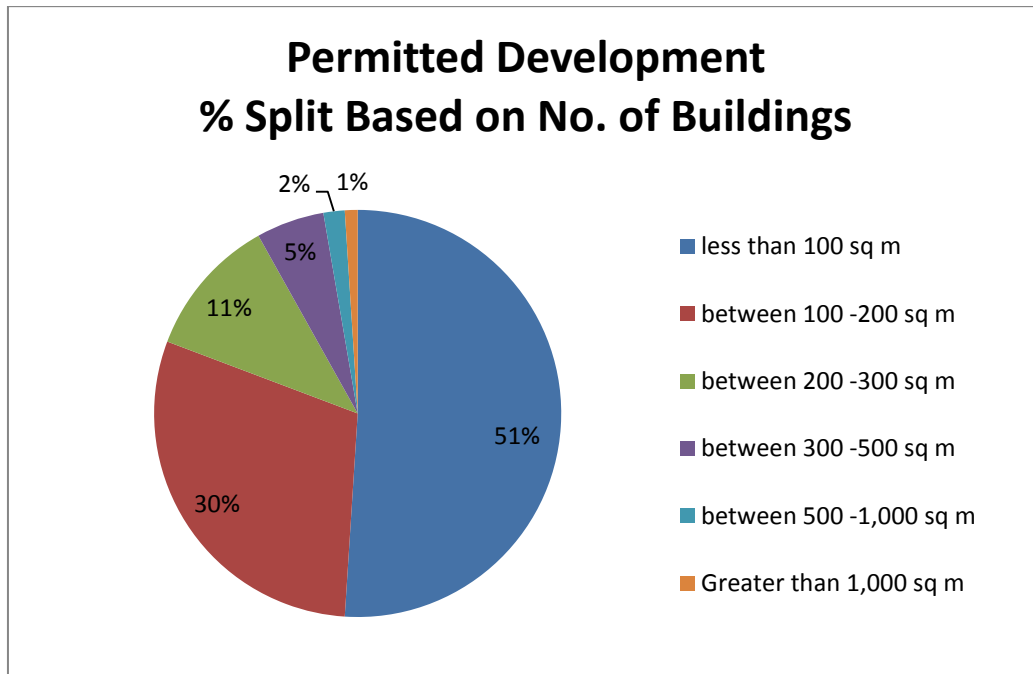
PERMITTED DEVELOPMENT LOSS OF B USE CLASS SPACE FROM CHANGE OF USE TO RESIDENTIAL

- 5.13. A major contributing factor of this shortage in supply is Permitted Development (PD) Rights introduced in May 2013 where we have estimated 78,001 sq m (839,604 sq ft) has been granted approval for conversion to C3 private residential from the B use class of which 73,076 sq m (786,580 sq ft) is offices and 4,926 sq m (53,024 sq ft) industrial space.
- 5.14. From 30th May 2013 the Government made it easier to convert offices to residential premises using new Permitted Development (PD) legislation that was to expire on 30th May 2016 but was then extended indefinitely from October 2015. PD operates by permitting developers to notify local planning authorities of their intention to exercise the right. Local authorities can either decide not to respond (in which case the developer is entitled to proceed), or to seek further details. If they decide to seek further details they can either approve or reject the developer's proposals (but on grounds well short of those available to local authorities under the normal planning system). This system is thus known as 'prior approval'.

Table 6 below shows the breakdown of the types of property given prior approval for Permitted Development into size categories from 30th May 2013 to October 2015

Range	Number of Buildings	Total Square Metres	% Split Based on No. of Buildings	% Split based on Square Metres
less than 100 sq m	151	8,091	51%	11%
between 100 -200 sq m	88	12,460	30%	17%
between 200 -300 sq m	33	7,735	11%	11%
between 300 -500 sq m	16	6,254	5%	9%
between 500 -1,000 sq m	5	3,084	2%	4%
Greater than 1,000 sq m	3	35,451	1%	49%
Total	296	73,075		

The Pie charts below shows the different types of property given prior approval for Permitted Development in size categories.



- 5.15. Table 6 above and the accompanying charts show that it is the smaller buildings in terms of numbers that receive the most prior approval notices with 51% below 100 sq m (1,076 sq ft) and 30% between 100 (1,076 sq ft.) and 200 sq m (2,153 sq ft). Only 1% of the properties were over 1000 sq m (10,764 sq ft) yet this accounts for 49% of the supply of space with prior approval. This is because the 40,105 sq m (431,700 sq ft) Empress State Building was granted prior approval for permitted development.
- 5.16. The British Council for Offices (BCO) commissioned CBRE to conduct research into the impact of this legislation in September 2015 in a report titled ***Office-to-residential conversion. Establishing the impacts of the prior approval regime***. This report concluded that:
- *The new right came into force during a period of sustained recovery in both office and residential property markets.*
 - *Overall the impact of the right has been substantial, at least in some markets, and especially in London.*
 - *Office markets across the UK, but particularly in London, are under pressure arising from demand growth (employment growth), this is driving take-up upwards, which is in turn reducing availability.*
 - *Development activity to keep up with this demand is increasing but the balance remains in favour of landlords, with availability falling for most types of space. Office vacancy rates are low, and falling, in many parts of the country.*
 - *The cyclical imbalance of supply and demand in the office stock is likely to have been exacerbated by a long-term increase in office-to-residential conversions even before the new right was introduced (around 0.5% of all homes came from office conversion in 1989, compared with 1.6% of all homes in 2011). Around 1,700,000 sq ft of office space were being converted per year between 2000 and 2011. The long-term structural increase in conversion is itself overlaid by cyclical effects, most noticeably in 2008 when a record 3,700,000 sq ft of space were converted in the face of soaring residential prices. Even without the new right, the strong economic conditions experienced recently in the UK, particularly in London, look likely to drive a fresh cyclical rise in conversions. So, even authorities largely exempt from the new right, such as Westminster City Council, have felt it necessary to tighten their policies in the face of these changing conditions.*
 - *While growth in the office stock has usually substantially outpaced losses (1.3% growth in stock per year compared with losses of around 0.19% of stock to residential use), this long-term increase in conversions means that developers now have to work harder to satisfy office demand.*
 - *The introduction of the new right is very likely to have had a material impact on key office markets. Although developers sometimes apply for prior approval as a precaution (alongside a full planning application), substantial numbers of approvals*

(perhaps 50% outside London, and at least 25% inside London) have been implemented.

- 5.17. CBRE's calculations were based on some assumptions about how many approvals are being implemented and the amount of floor space being converted per implemented approval. They estimated that between 278,709 sq m (3,000,000 sq ft) and 854,708 sq m 9,200,000 sq ft of office space were converted in England in 9 months of 2014 with reliance on the new right. Their central estimate is 569,681 sq m (6,132,000 sq ft). Between 3,800 and 11,400 homes would have been created in 2014 as a result of these conversions, again making some assumptions about the average size of units (75 sq m [807 sq ft], i.e. typically one-or two-bedroom flats). Their central estimate is 7,600 homes.
- 5.18. They also found a significant impact on office markets in parts of London. In Camden and Islington, for example, they found that conversion is happening at a much faster rate in the areas not protected by an exemption (3.5% and 5.2%, respectively) than in those that are protected (1.1% and 0.5%, respectively).
- 5.19. They found that about 2.7 million sq ft of office space has already been converted in London with reliance on the new right, and that there is potential for a further 7.7 million sq ft to be converted.
- 5.20. They conclude, therefore, *that office-to-residential conversion is now occurring at a faster pace than ever and concluded that the new right is having a net additional impact on housing supply, and therefore are also having a net additional impact on losses of office floor space. In the current market, in which residential prices are rising at least as fast as office prices, they saw no immediate reason why this trend is likely to reverse. They state that the main driver of any reversal in this trend is the uncertainty over whether or not a similarly liberal right will be introduced from May 2016 onwards, which may act as a drag on conversions from now on. High office rents are resulting in a fresh development response across the UK, which may replace some (but probably not all) of the lost space.*
- 5.21. This reports states that *the new right is causing a loss of office stock of all sizes, from units only large enough to create a single new dwelling, all the way up to entire tower blocks that can be used to create hundreds of new dwellings. The prior approval regime is more likely to facilitate the conversion of smaller office units to residential use, as larger schemes are more likely to need additional works requiring a full planning application. That said, the new right has undeniably facilitated the conversion of large buildings. Among those authorities expressing concerns, the primary concern appears to be about the loss of cheap, secondary-quality office space, which may even still be occupied. Even if this lost office space is replaced by new development, the replacement could well be at the more expensive prime end of the market. And even if that replacement causes a 'cascade' of office space freeing up cheaper office space elsewhere, that cascade would take time to effect, leaving a shortage of space in the meantime. The office market does appear to be responding at least partly to shortages of cheaper or smaller office space, including through 'hub', 'incubator' or serviced-office models. That said, only around 10% of the authorities that sought an exemption to the new right have introduced an Article 4*

Direction to self-exempt themselves from it, which tends to imply that concerns about the loss of cheap space among authorities as a whole are somewhat overstated.

- 5.22. In their calculations of office floor space loss through permitted development they have only taken a 9 months window in 2014 for each Borough so our estimate based on the entire period from 30th May 2013 gives a fuller picture of the loss of space in LBH&F.

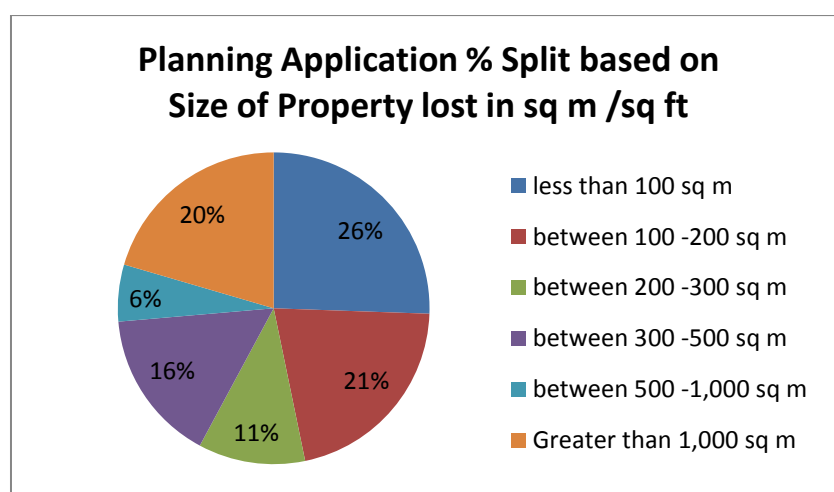
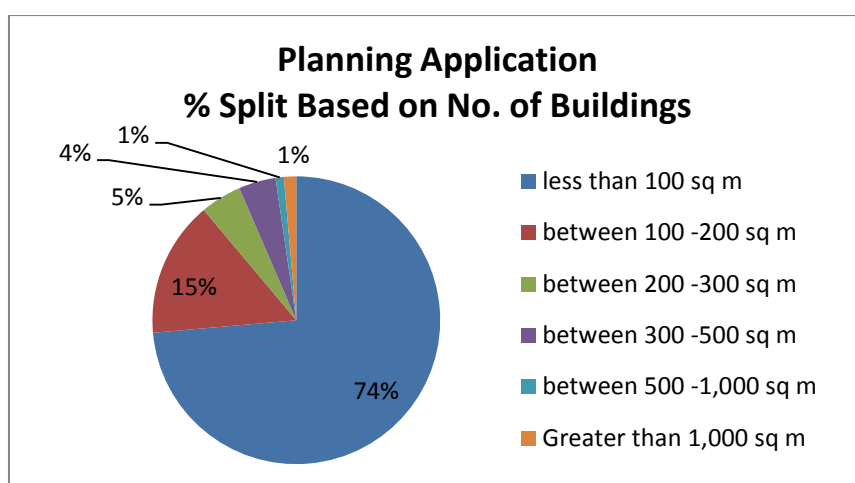
PLANNING CONSENT LOSS OF COMMERCIAL FROM B CLASS SPACE TO CHANGE OF USE TO RESIDENTIAL

- 5.23. Another reduction in B class supply has been the 71,225 sq m (766,656 sq ft) of formerly B class use land and buildings converted or demolished with planning approval for conversion or construction of residential property or retail of which 50,433 sq m (542,859 sq ft) has been industrial and 20,791 sq m (223,797 sq ft) has been offices.
- 5.24. The combination of high office demand and low supply has resulted in the fastest rent and capital value gains for offices since the late 1980s. This is partly due to the loss of stock from conversion to residential through the planning process as well as PD.
- 5.25. The total loss of B class use stock since 2012 in LBH&F has been 149,226 sq m (1,606,261 sq ft). This is the equivalent of about 12% of the total existing stock.

Table 7 below shows the breakdown of the types of property granted planning consent between 2012 and October 2015 for change of use from commercial B use class space to C3 into size categories.

Range	Number of Buildings	Total in Square Meters	% Split Based on No. of Buildings	% Split based on Square Metres
less than 100 sq m	159	5,313	74%	26%
between 100 -200 sq m	33	4,408	15%	21%
between 200 -300 sq m	10	2,307	5%	11%
between 300 -500 sq m	9	3,281	4%	16%
between 500 -1,000 sq m	2	1,226	1%	6%
Greater than 1,000 sq m	3	4,257	1%	20%
Total	216	20,791		

The pie chart below shows breaks down the types of property given planning between 2012 and October 2015 for change of use from commercial B use class space to C3 into size categories.



- 5.26. Table 7 above and the accompanying charts show that in terms of numbers of applications the majority are for smaller buildings 74% below 100 sq m (1,076 sq ft) and 15% below 200 sq m (2,153 sq ft). In terms of the amount of space demolished or converted the spread is more even across the size categories but with the largest size category still those properties below 100 sq m (1,076 sq ft). The predominance of smaller properties being demolished or converted could be that the owners of these properties are often individuals or small companies that have more to benefit from a capital gain rather than the income stream to property previously produced. Conversely larger properties such as those exceeding 1000 sq m (10,764 sq ft) are mostly owned by property funds such as insurance and pension companies. These types of businesses own investment property to provide them with income and are therefore less likely to forgo income for capital receipts because of the nature of their business.

6. OFFICE TAKE UP AND DEMAND

LBH&F TAKE UP IN COMPARISON TO OTHER WEST OF WEST END CENTRES

- 6.1. London has experienced good levels of demand from office occupiers since 2011/2 as the economy recovered. The service sector in the UK has outperformed other sectors in the UK's GDP, accounting for approximately 78.4 % of total GDP according to the ONS services index of May 2015. London has a high density of service sector occupiers and this plays an important part in the office market.
- 6.2. Table 8 below shows that 38,276 sq m (412,000 sq ft) was taken up by occupiers from September 2014 to September 2015 in LBH&F, this is approximately 1 year of supply if that rate of take up continues and all the vacant stock in the Borough is ready to let.
- 6.3. The take up in September 2014 to September 2015 was above the 5 yearly annual trend take up for all the sub markets except for four, Shepherd's Bush, Olympia, Fulham and West Brompton. We expect these anomalies are due to lack of supply. Fulham and West Brompton for example currently had no available supply in October 2015.

Table 8 below shows LBH&F office (B1 Use) Class Take Up divided into submarkets

Submarket	Square Metres			Square Feet		
	Take Up Sep 2014 – 2015	Take Up Average £ per sq m	Take Up 5 Year Ave	Take Up Sep 2014 – 2015	Take Up Average £ per sq ft	Take Up 5 Year Ave
Hammersmith	24,248	£448	23,690	261,000	£41.59	255,000
Shepherd's Bush	2,592	£456	985	27,900	£42.40	10,600
Olympia	3,075	£416	5,992	33,100	£38.69	64,500
Ravenscourt Park	994	£407	864	10,700	£ 37.84	9,300
Putney Bridge	2,276	£391	3,196	24,500	£36.32	34,400
Imperial Wharf	3,010	£342	2,973	32,400	£31.77	32,000
Parsons Green	1,486	£488	1,468	16,000	£45.33	15,800
Fulham	576	£239	1,096	6,200	£22.17	11,800
West Brompton	0	£114	84	0	£10.57	900
Total Hammersmith & Fulham	38,276	£367	40,348	411,800	£34.08	434,300

Table 9 below shows the west of West End B (Use) Class Take Up for LBH&F and Neighbouring Markets

Neighbouring Markets	Square Metres			Square Feet		
	Take Up Sep 2014 – 2015	Take Up Average £ per sq m	Take Up 5 Year Ave	Take Up Sep 2014 – 2015 sq ft	Take Up Average £ per sq ft	Take Up 5 Year Ave sq ft
Hammersmith & Fulham (from Table 8 above)	38,276	£367	40,348	411,800	£34.08	434,300
Kensington & Chelsea	28,809	£460	22,631	310,100	£42.69	243,600
Paddington	31,401	£568	18,005	338,000	£52.81	193,800
Chiswick	25,307	£446	26,868	272,400	£41.46	289,200

Table 10 below shows LBH&F take up by net internal area between 2011 and 2014 subdivided into industry sectors

Industry Type	Total sq m leased	Total sq ft leased	Percentage of Total leased
Technology, Media & Telecoms (TMT)	72,862	784,284	46%
Services	13,233	142,440	8%
Health & Education	13,059	140,565	8%
Retail & Leisure	11,550	124,322	7%
Construction	11,502	123,807	7%
Fashion	9,537	102,651	6%
Professional	7,878	84,793	5%
Undefined	7,008	75,438	4%
Travel	2,921	31,441	2%
Property	2,791	30,045	2%
Associations and Charities	2,400	25,833	2%
Industrial	1,386	14,920	1%
Transport	1,274	13,718	1%
Finance	933	10,044	1%

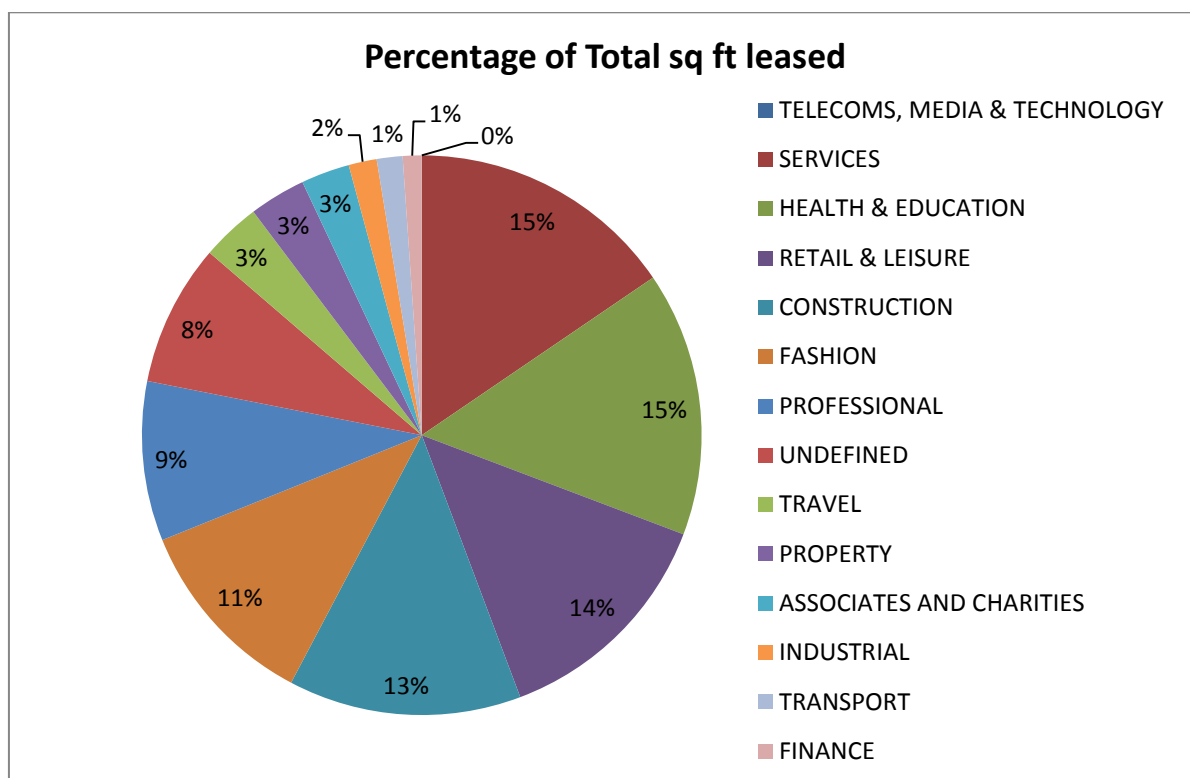
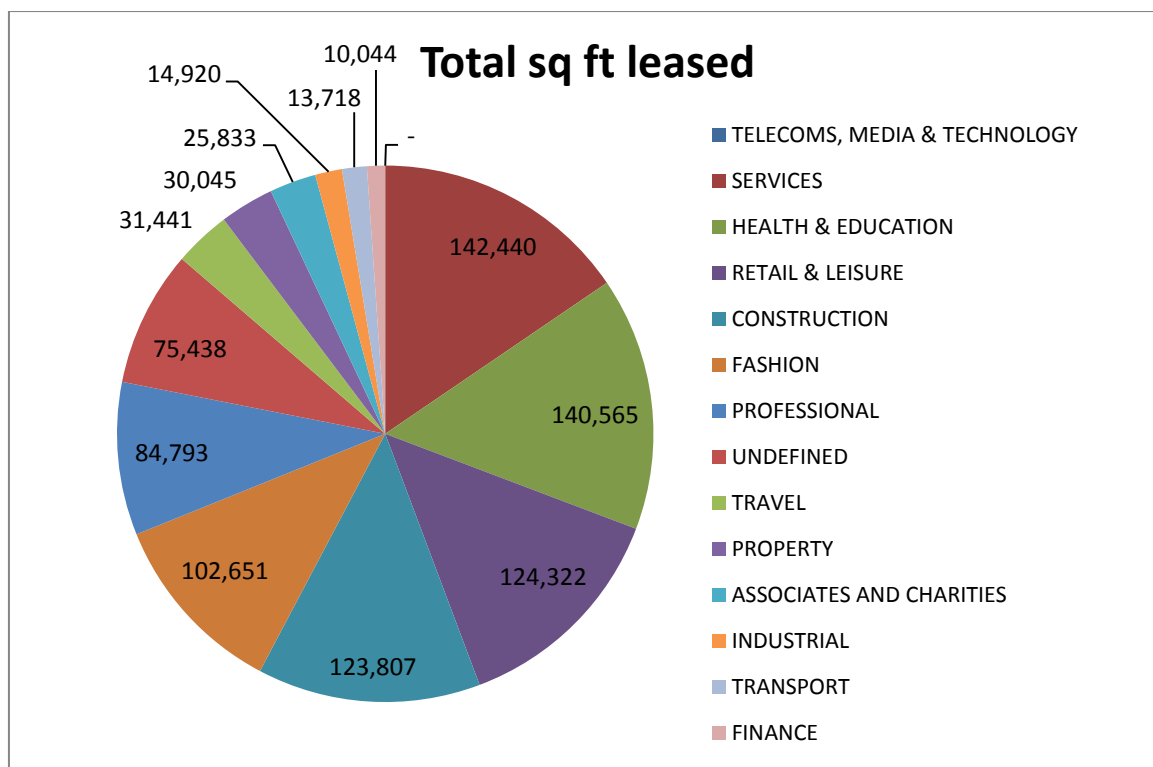
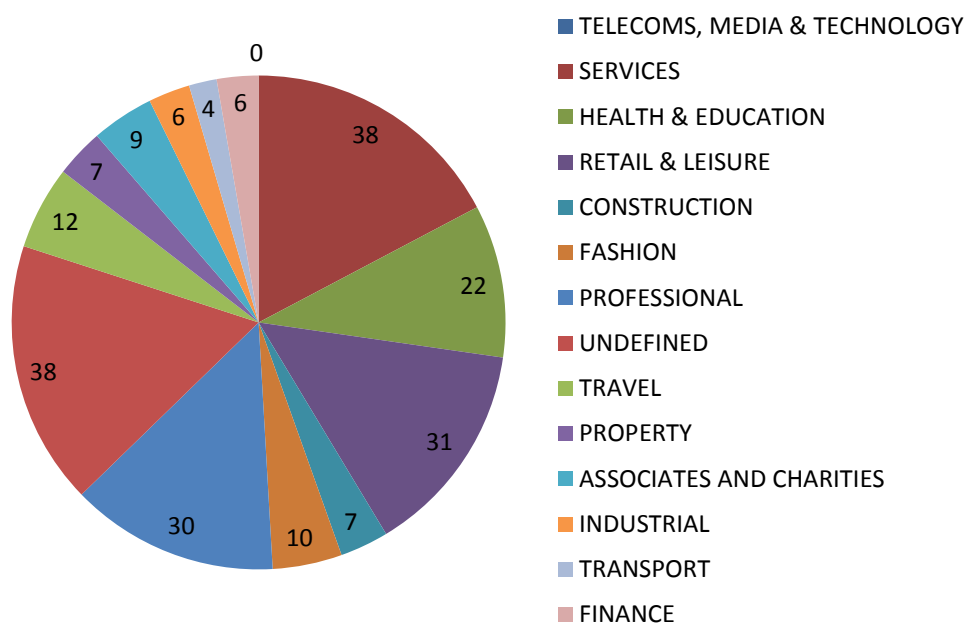


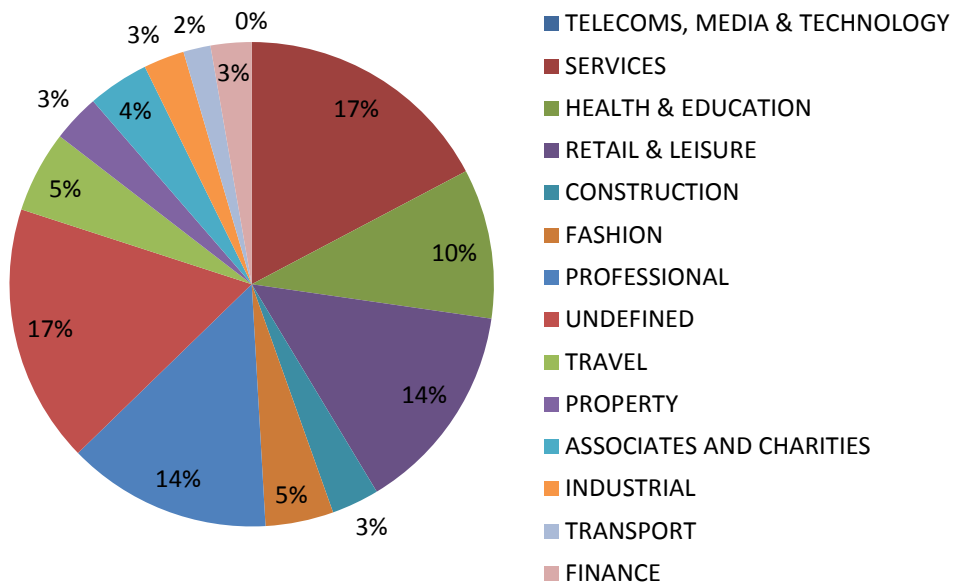
Table 11 below shows LBH&F take up by number of buildings between 2011 and 2014 subdivided into industry sectors

Industry Type	Number of buildings	% split based on number of buildings
Technology, Media & Telecoms (TMT)	77	26%
Services	38	13%
Health & Education	22	7%
Retail & Leisure	31	10%
Construction	7	2%
Fashion	10	3%
Professional	30	10%
Undefined	38	13%
Travel	12	4%
Property	7	2%
Associations and Charities	9	3%
Industrial	6	2%
Transport	4	1%
Finance	6	2%

Number of buildings



% split based on number of buildings



DEMAND FROM AUGUST 2014 TO AUGUST 2015

- 6.4. Statistically, demand is hard to quantify accurately due to the difficulty in obtaining and compiling this data as most data is collected from transactions only. However we have been able to identify the number and size of agent's client requirements circulated through the main commercial agents' portal (WestEndAgents.com) within the London commercial property market, see Table 12 below:

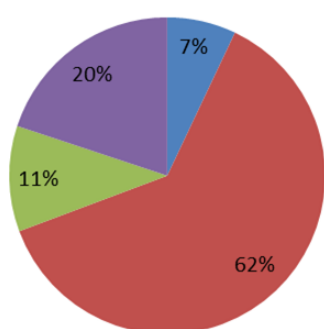
Table 12 below shows the number and size of agent's client requirements

Size Requirement (sq ft):	Number of Requirements	Total sq ft	% of No. of Requirements	% of Total Sq Ft
<1,000	17	16,700 sq ft	7%	1%
1,000 - 5,000	150	361,650 sq ft	62%	21%
5,000 - 10,000	26	264,750 sq ft	11%	16%
10,000+	48	1,047,500 sq ft	20%	62%
Total:	241	1,690,600 sq ft		

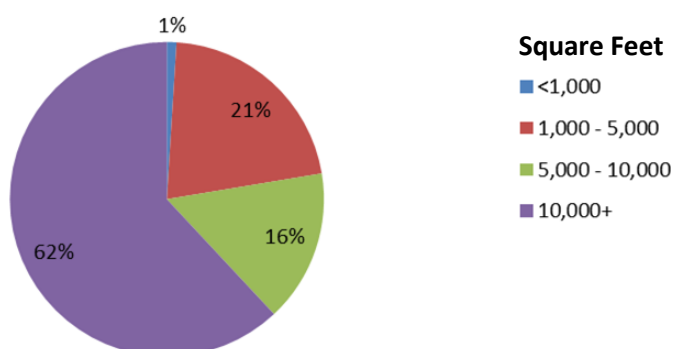
Detailed supporting data for the Table 12 summary above is in Appendix 3.

- 6.5. During the 12 months from August 2014 to August 2015, there was approximately just under 1.7m sq ft of reported office demand from companies that would consider locating in LBH&F that were represented by professional agents that used the <http://www.westendagents.com> portal. This only gives a flavour of demand as many of these companies might have a requirement that is then shelved and conversely many companies that have a requirement do not use a professional advisor. This is particularly the case for smaller requirements as professional agents are not usually employed to acquire offices for the smaller companies.
- 6.6. Of this total figure, 62% of the requirements were for businesses between 93 sq m and 465 sq m (1,000 and 5000 sq ft) comprising a total of 23,595 sq m (264,750 sq ft) or 16% of the 157,935 sq m (1,700,000 sq ft) required. The larger 10,000 sq ft (929 sq m) plus enquiries account for only 20% of all enquiries but a total of 97,315 sq m (1,047,500 sq ft) or 62% of the 157,935 sq m (1,700,000 sq ft) required in total in the Borough.

Percentage of Requirements based on Number of Enquiries



Percentage of Requirements based on Size (sq ft)



Square Feet

- <1,000
- 1,000 - 5,000
- 5,000 - 10,000
- 10,000+

- 6.7. Demand can also be building led. For example where there are very few large floor plate or larger headquarter buildings in the Fulham sub market, companies that require this type and size of property will have to consider properties in Hammersmith and White City where office space of this nature exists. If such space becomes available occupiers will consider these opportunities on availability rather than prioritised by location or pricing, a good example of this was the successful letting of Fulham Green in the Putney Bridge submarket.
- 6.8. The demand for offices in LBH&F generally reflects the trends of the office market in Central London, although specific areas exhibit particular market characteristics which attract differing tenant profiles and demand. Examples in LBH&F include the prevalence of TV companies and airlines. TV companies have clustered perhaps because of the historic presence of the BBC in the north of the Borough meaning that other TV companies wanted to be nearby or because former BBC staff that have started new TV companies often live locally.
- 6.9. Traditionally airline offices were in retail units in the West End but as collection of paper tickets by customers became obsolete by digital ticketing and passengers no longer needed to visit airline offices as often the airlines were able to relocate to offices that were nearer and more accessible to Heathrow than the West End as well as being cheaper in terms of rent and business rates. Some airlines such as British Airways relocated to Hounslow to be directly adjoining Heathrow but many chose Hammersmith, perhaps requiring better proximity to central London still and perceiving that there would be a better retention of employees being in inner London rather than outer London. Air France have now moved from Colet Court in Hammersmith to Heathrow joining British Airways but there are still numerous air lines in Hammersmith town centre. Principals who live in the neighbouring affluent residential areas are also driving factors in the demand for offices in LBH&F.
- 6.10. The pressure on office stock from Permitted Development Rights, particularly in Fulham and in Putney in the neighbouring borough of Wandsworth has reduced availability in the surrounding area and therefore schemes like Coda Studios, Fulham Green and Chelsea Harbour are entirely full in October 2015 with rents nearly double their 2012 level.

Business Counts

Table 13 below shows the top 5 postcodes for the most numerous B1 office use class businesses in the respective postcodes in LBH&F in 2014 as measured by TBR (see Appendix 2).

Ranking	Postcode	Submarket	Business Counts in B1 Office Use Class
1.	SW6 4LZ	Putney Bridge	130
2.	SW6 3JH	Putney Bridge	97
3.	SW6 2AD	Chelsea Harbour/Imperial	79
4.	W6 0LH	Hammersmith Town Centre	76
5.	W6 0NB	Hammersmith Town Centre	65

- 6.11. Table 13 above shows a different distribution based on business count rather than analysing the office centres of LBH&F by floor area or numbers employed. This illustrates that smaller businesses sometimes cluster outside the main office centres to where there is availability of smaller offices either because of the availability of smaller self-contained buildings or in larger buildings where the floors have been subdivided to cater for smaller companies.

Table 14 below shows the top 5 postcodes for the most numerous B2 general industrial use class business in the respective postcodes in LBH&F in 2014 as measured by TBR.

Ranking	Postcode	Submarket	Business Counts in B2 General Industrial Use Class
1.	W12 9EE	Shepherds Bush (Jeddo Road)	25
2.	SW6 2AD	Imperial (Michael Road)	21
3.	SW6 4LZ	Putney Bridge	19
4.	SW10 0XE	Chelsea Harbour	14
5.	W6 7NJ	Hammersmith Town Centre	11

- 6.12. The postcodes in Table 14 above do not contain larger purpose built industrial estates. The properties in these postcodes that house B2 general industrial users are mostly converted Victorian buildings that could equally be occupied by B1 office users and often are. Those industrial users in Chelsea Harbour are actually designers of very high end interiors products in the main who occupy the showroom space of the Design Centre

Table 15 below shows the top 5 postcodes for the most numerous B8 storage and distribution businesses in the respective postcodes in LBH&F in 2014 as measured by TBR.

Ranking	Postcode	Submarket	Business Counts in B8 Storage & Distribution Use Class
1.	SW10 0XE	Chelsea Harbour/Imperial	21
2.	W12 8LE	Shepherds Bush	10
3.	SW6 1RP	West Brompton (Seagrave Road)	9
4.	SW6 4TJ	Parsons Green (Heathmans Road)	8
5.	W12 8QQ	Shepherds Bush	6

- 6.13. Similar to B2 the small B8 warehouse and storage users are not in large, purpose built industrial estates but mostly converted Victorian buildings that could equally be occupied by B1 office users and often are. The users in Chelsea Harbour are mostly interior designers and not a traditional B8 use. The users in West Brompton will be making way for the Earls Court redevelopment and are relocating and those in Heathmans Road are also in mostly converted Victorian buildings that could equally be occupied by B1 office users.

7. RENTAL VALUES

- 7.1. As Table 16 below indicates the average rent for LBH&F from September 2014 to September 2015 was £35 per sq ft, the highest rent to date being £57.50 in Hammersmith town centre and £52.50 in Shepherds Bush. This compares to Atkins 2005 Study that concluded the average asking price on the market was £24.82 per sq ft for offices. Continuing low levels of supply and good demand have helped prime rents continue to perform strongly. Prime rents in Hammersmith had never before achieved over £40 until Summer 2014 when rents ranging from £46 to £50 per sq ft were achieved at the letting of the new 10 Hammersmith Grove. During the rest of 2014 and the first and second quarters of 2015 rents over £50 per sq ft have been common in Hammersmith town centre and at the Shepherds Building in Rockley Road, Shepherds Bush.

Table 16 below shows the average rent for submarkets in LBH&F from September 2014 to September 2015.

Submarket	Average Rent £ per sq metres	Average Rent £ per sq ft
Hammersmith	£448	£41.59
Shepherds Bush	£456	£42.40
Olympia	£416	£38.69
Ravenscourt Park	£407	£37.84
Putney Bridge	£391	£36.32
Townmead Road and Imperial	£342	£31.77
Parsons Green	£488	£45.33
Fulham	£239	£22.17
West Brompton	£114	£10.57
Average for all of Hammersmith & Fulham	£367	£34.08

Table 17 below shows the average rent for LBH&F and surrounding markets from September 2014 to September 2015.

Neighbouring Markets	Average Rent £ per sq metres	Average Rent £ per sq ft
Hammersmith & Fulham (from Table 16 above)	£367	£34.08
Kensington & Chelsea	£460	£42.69
Paddington	£568	£52.81
Chiswick	£446	£41.46

- 7.2. Recent examples of office lettings in LBH&F:

26-28 Hammersmith Grove, Hammersmith, W6



- 7.3. Envision Pharma, a medical and scientific communications company, renewed their lease of the part ground floor west wing of 552 sq m (5,941 sq ft) at £57.50 per sq ft in Q2 2015. This is 'grade A space' but not a new building.

Broadway Studios, 10 Hammersmith Broadway, W6



- 7.4. Lettings in Q2 and Q3 to NPD (market research) and Mixity (architects) that both took 279 sq m (3,000 sq ft) space on the 3rd floor were at £50 per sq ft. These are media style 'grade B' spaces.

212 New Kings Road, Fulham Green, Putney Bridge, SW6



CGi image of 212 New Kings Road

- 7.5. A warehouse style 650 sq m (7,000 sq ft) 2nd floor let in Q3 for £48 to Parallel Consulting, an IT recruitment company. This is media style 'grade B' space. Practical completion of the work is this quarter.

Shepherds Buildings, Rockley Road, Shepherds Bush, W14



- 7.6. A 1,219 sq m (13,123 sq ft) section of this property was leased by Endemol Shine Group for £47.50 per sq ft in November 2014. A further 756 sq m (8,137 sq ft) was then let on the 2nd floor to another subsidiary Endemol Shine in Q3 2015 for £52.50. This is media style 'grade B' space.

8. THE FREEHOLD MARKET VALUE OF B1 OFFICES IN COMPARISON TO C3 RESIDENTIAL

- 8.1. The freehold value of offices are influenced by a number of factors. In most cases on larger office buildings the capital values are determined by an investment method valuation approach. Valuers will apply a market yield to the rent income, adjusted for risk (lease length, financial strength of tenant, age of building etc.). Yields have fallen and hence capital values have improved locally since 2011 but in general residential values still exceed those for offices hence the pressure for conversion or demolition in favour of residential.
- 8.2. Smaller office buildings may be owner occupied and valued on an investment approach or by a comparison method using comparable sales evidence. Purchasers are often private investors or speculators hoping for a potential residential conversion reflecting 'hope' value for change of use in the medium to longer term.
- 8.3. In affluent residential areas of the Borough such as Fulham where offices are smaller and rented less than for those in Hammersmith town centre for example, the disparity between the residential values and commercial values is so great that the office values appear to represent "good value" in relation to a similar building that is residential. An example of this would be a small mews office with a market value in the region of £600 per sq ft being compared in value to a neighbouring residential property in Fulham that has a market value of £1,100 per sq ft.

9. ACCESS, TRANSPORT AND PARKING ISSUES

- 9.1. A significant change since the Atkins 2005 Employment Study is that the way in which employees travel to work is different to then and the traffic infrastructure locally has changed.
- 9.2. As illustrated in the supply section of this report in section 4, the B use class stock in LBH&F is now 84% offices and 16% industrial in comparison to about 66% offices and 33% industrial then. Road access and car parking is much less important for office occupiers and with the congestion charge from 2003 and reduced car parking ratios in new office buildings through the planning process it is far more unusual for employees to drive to work than it was in the 1970's, 1980's and 1990's. In addition cycling is more prevalent and encouraged including the Santander cycle share scheme (commonly termed Boris Bikes). As a result of this cycling culture office building owners are increasingly providing showers for cyclists and cycle parking both because of planning obligations and to improve the demand for their property.
- 9.3. Our company's experience as commercial agents in the Borough since the mid-90's is that the transport pre requisite for successful office scheme has been about 10 minutes' walk from an Underground station. This means that parts of the Borough that were not as accessible to the Underground, such as Imperial Wharf, are now seen as suitable because of the improved transport from the Overground West London Line. Imperial Wharf Station opened in 2009 and then in 2012 the frequency of trains increased connecting with West Brompton for the District Line Underground. Similarly Olympia and Shepherds Bush have better Overground stations and more frequency of trains since the 2005 Atkins report.
- 9.4. Crossrail will have little impact on demand as this will mainly affect the new interchanges in 2018 at Acton and Ealing to the west of LBH&F but in general Crossrail is predicted to reduce the congestion on the District Line and increase London's railway capacity by 10% so it should have a small but beneficial, indirect impact.
- 9.5. Crossrail 2 is the proposed new high-frequency, high-capacity rail line for the South East, running through London from north to south from Wimbledon through Clapham Junction, Kings Road at Chelsea, Victoria, Tottenham Court Road, Euston, St Pancras and Tottenham Hale. The proposed Kings Road station close to the junction of Sydney Street in RBK&C will be about 1 mile east of the border with LBH&F. LBH&F is not a direct beneficiary of the route although it will improve the transport access to Townmead Road, Chelsea Harbour and Imperial submarket.
- 9.6. The combination of the improved Overground line in the Borough, cycling and the preference for many employers and employees living either locally or in west London or the western home counties not to have to commute into the West End, City or City fringe has meant that some of the locations that were more marginal in LBH&F are now successful and fully let office locations such as Chelsea Harbour in the Imperial sub market and Coda Studios in Munster Road in the Parsons Green submarket.

10. IMAGE AND DESIREABILITY OF THE SUB MARKETS.

- 10.1. The environmental quality, image and desirability of the sub markets have been considered for this report as well as the improvements in Access, Transport and Parking issues discussed in the previous section. The amenities and desirability of the buildings have improved since the land study. The previous 2005 Atkins study highlighted the exceptionally poor quality of the buildings in Wood Lane and along the River south of Hammersmith and in Fulham. Both these areas have been and are being redeveloped and so any buildings of concern still remaining here will soon be refurbished or demolished.
- 10.2. Also, in general, improvements locally since 2005 for office properties (B1 use class) properties have been:
- Vastly improved shopping at Shepherds Bush with Westfield London dramatically improving the Shepherds Bush and White City office market.
 - More restaurants, a farmers market and an improved Kings Mall shopping centre in Hammersmith town centre.
 - An understanding from building owners that sacrificing car parking for outside seating and external landscaped gardens enhances the demand for their office such as at Fulham Green at Putney Bridge and The Aircraft Factory at 100 Cambridge Grove, Ravenscourt Park.
 - More on site cafes/informal meeting areas, such as Chelsea Harbour, Shepherds Building in Shepherds Bush, Coda Studios in Munster Road, Parsons Green, and Fulham Green at Putney Bridge.
 - The reduction in the size of plant and machinery required to heat and cool an office building and the fashion for exposing plant and machinery rather than hiding it above suspended ceilings has led to greater volume working spaces with increased natural light.
 - Improved environmental performance. This is because of increased awareness of EPC ratings, BREEAM, the banning of the R22 refrigerant via the Kyoto agreement that was enforced from 2005 and more tenants considering this before selecting an office property.
 - Improved disabled access to properties because of the Disability Discrimination Act 1995 that was then superseded by the Equality Act 2010.

11. POTENTIAL FOR UPGRADING

- 11.1. There are some office buildings that remain architecturally uninspiring, as they are a legacy of office development from the 1960's to 1990's but there are few that cannot be improved architecturally without full demolition. Often a developer can take a building back to its concrete frame and then retro fit it with contemporary plant and machinery and reclad the exterior.
- 11.2. From 2011, as the office market dramatically improved in terms of demand and there remains an acute lack of supply there has been added financial impetus for B use class property owners to improve their stock to benefit from higher rent or gross development value. Numerous properties have been substantially improved architecturally since 2005. These improvements are despite PD, because office property has been owned by investors that require investment income rather than a capital gain, so these properties have tended to remained in office use.
- 11.3. Properties that have been substantially improved architecturally since 2005 include:
- One Queen Caroline Street
 - The Aircraft Factory (previously Cambridge House)
 - 43 and 44 Brook Green
 - Griffin House, 161 Hammersmith Road
 - Lyric House, 149 Hammersmith Road
 - Coda Studios, Munster Road
 - Fulham Green, 69-79 Fulham High Street
 - Chelsea Harbour
 - 27 and 26 and 28 Hammersmith Grove
 - Colet Court, 100 Hammersmith Road
 - The Ark, 201 Talgarth Road
 - 77 Fulham Palace Road
 - 1 King Street, 1-15 King Street
 - Metro Building, 1 Butterwick
 - 1 Sussex Place
 - The Lawns, Shepherds Bush Green
 - Island Studios, 22 St Peter's Square
 - 395-401 King Street
 - Sovereign House, 361 King Street
 - Melbray Mews, 158 Hurlingham Road

- 11.4. The previous study by Atkins in 2005 identified that just under 80% of the Borough required no substantial upgrade /revitalisation other than the re occupation of vacant premises and minor upgrade and refurbishments of existing premises. Only 3.85% of offices were vacant in LBH&F in October 2015 and there are no significant sites not already owned by developers where offices can be built. Later in this report we consider where new office supply might come from in LBH&F.
- 11.5. Below we have listed the 20% of LBH&F that the Atkins 2005 report considered to have a potential for employment intensification and commented on what actually happened.
- *Hythe Road Employment Zone:* No significant change since 2005 but now within the Old Oak and Park Royal Development Corporation under the Mayor so substantial redevelopment likely in the next 30 years.
 - *Wood Lane Employment Zone:* Employment as well as retail and residential has and will be further intensified substantially in the next 10 years with Stanhope refurbishing two sites in Wood Lane, the former BBC TV Centre and further north at the former BBC Media Village. There is also the land for more office property on the Media Village site. There is more detail on this in the future supply of office stock.
 - *Kensington Bridge and Lillie Depot and the Segrave/Rickett Road Employment Zone:* This forms part of the residential led Earls Court scheme so any additional employment use is more likely to be within 10 to 20 years rather than in 5 years unless the residential market deteriorates.
 - *Fulham Reach Employment Zone:* This began as an office development location but after the construction of The Waterfront office development the other schemes are now residential led with other uses comprising a boat club, a pub and a coffee outlet. The pub and coffee outlet does improve the amenity of the existing offices near here such as Thames Wharf Studios, Hammersmith Embankment and Chancellors House.
 - *Carnwarth Road Employment Zone:* This remains an office and industrial area but there has not been an intensification of employment uses. Unless B class use is protected through planning there will be substantial financial pressure for development to be residential led here because of the River views, the high residential capital values in the vicinity and the low PTAL rating for large scale office development.

All of the areas identified in 2005 were then in planning Employment Zones which have been discontinued. This improves the likelihood of the sites being developed for C3 residential use. The areas that we consider have the potential to be office schemes are set out in the *Future Supply of B1 section of this report*.

12. SUPPLY REQUIRED FORECAST

- 12.1. Trend Business Research has used various data sources to predict employment growth in LBH&F up to 2036 as part of this study. Their full research is in the appendix.
- 12.2. Their projections contrast with the recent fall in employment in LBH&F but as set out later in our conclusion we believe the evidence suggests this fall in employment is due to loss of B class space rather than economic circumstances. In general TBR's analysis shows a strong future demand for employment but clearly their predictions will not materialise if there is not enough supply in LBH&F to support this growth.
- 12.3. In order to predict B1 office supply we needed to establish a benchmark for the amount of floor space required per person. The London Office Policy Review of 2012 and 2014 update (LOPR 2012 and 2014) are surveys and reports commissioned by the Mayor of London. These reviews assess existing office supply, trends in office supply and demand and employment projections to help inform their policies. For employment space they reviewed studies by the National Audit 2012, the Homes and Communities Employment Density Guide of 2010 and the British Council of Offices in 2009 that gave the lowest area at 1 person per 9.8 sq m (105 sq ft).
- 12.4. The LOPR 2014 concluded that the average area per person in LBH&F was 16 sq m per person. However due to more efficient working spaces, smaller desks, less paperwork and higher office rents there has been a reduction in area per person adopted by LBH&F occupiers in refurbished and new properties since 2005. Both 1 Queen Caroline Street and The Aircraft Factory in Hammersmith are being marketed with an air conditioning/fresh air capacity of 1 person for every 8 sq m (86 sq ft).
- 12.5. Since this report is predicting supply required for the future we think that we should adopt the lower density considered by the LOPR 2014 which is 1 per 9 sq m (97 sq ft) and their allowance for an 8% vacancy rate of office stock. We have however tested it against the highest occupation rate in their range which is 12 sq m (129 sq ft) plus an allowance for 8% vacancy rate of office
- 12.6. TBR have analysed the sectors prevalent in LBH&F and compared those to other Boroughs and the rest of London. They find that LBH&F employment will grow more than in London generally. This is in contrast to recent trends because in the last 4 years employment in LBH&F has decreased. We think this could be explained by lack of supply of B1 office stock.
- 12.7. TBR's projected employment figure for LBH&F in 2036 is 175,000, an increase of 13% from the numbers employed in 2014. The projected B1 (office) use sector employed is 80,200 about 11% higher than LOPR 2014's projection of 72,000 jobs. This is an increase of B1 employment of 39,450 from 2014 to 2036. LOPR 2014 projected 27,000 additional jobs from 2011 to 2036. This appears to be an under projection given TBR's 2014 B1 employment figure.
- 12.8. LOPR 14 gave a prediction that 259,000 sq m (2,787,944 sq ft) to 346,000 (3,724,435 sq ft) more office space would be required by 2036 in LBH&F. For this they used a range of 1 person per 9 sq m (97 sq ft) to 1 person per 12 sq m (129 sq ft) plus an 8% vacancy allowance multiplied by 27,000 more B1 jobs. Using the same person per sq m range but TBR's prediction of 39,450

more B1 use class jobs being required by 2036 this gives a prediction of between 383,454 sq m (4,127,560 sq ft) and 511,272 sq m (5,503,466 sq ft) more office space being required by 2036 in LBH&F

Table 18 below shows a forecast of B1 (office) supply required in LBH&F based on TBR employment projection figures and a 1 person per 9 sq m (97 sq ft) plus an 8% availability rate.

Year	Projected Increase in Employment by TBR	Additional Office (B1 use) supply required at 1 person per 9 sq m (97 sq ft) plus 8% availability	
		sq m	sq ft
2021	23,200	223,560	2,406,377
2026	29,100	282,852	3,044,591
2031	34,200	332,424	3,578,179
2036	39,450	383,454	4,127,461

- 12.9. On an annual basis a further 18,260 sq m (196,555 sq ft) of B1 use office space is required per annum or 1.8% more than the existing stock level of 1,003,723 sq m (10,804,334) of B1 use offices. Yet since 2012 the equivalent of 12% of the office stock was lost to conversion to residential through PD or the planning process. The total B1 office stock in the Borough now needs to gain a further 38% of the existing 2015 total in the 21 years to 2036 to cater for the predicted employment growth

13. FUTURE SUPPLY OF B1 STOCK

- 13.1. The TBR employment projections until 2036 suggest that 383,454 sq m (4.13 sq ft) of additional office stock in LBH&F is required by 2036 in addition to the existing stock. Clearly there is a huge assumption here in that there will be no further loss of supply given that since 2005 110,458 sq m (11.89m sq ft) of B use class space has been demolished or converted to shops and residential both through planning consented demolition and conversion as well as permitted development. Assuming however no further loss of supply we have considered the pipeline below as well as other potential sites.

LARGER SCHEMES

Television Centre, Wood Lane

- 13.2. A new office property of 25,362 sq m (273,000 sq ft) is being developed by Q4 2017.
- 13.3. There will potentially be a further 10,497 sq m (113,000 sq ft) if the owners secure a company willing to pre-let another office building that has planning consent on part of the site. The owners are not currently prepared to speculatively construct this office building.

White City Place, Wood Lane

- 13.4. Whilst 864,000 sq ft is being refurbished for Q4 2017 following the exit of the BBC ,it is not new supply for LBH&F, but new supply being for the market to let as the BBC relocate some employees.
- 13.5. The new supply for LBH&F is the potential 46,450 sq m (500,000 sq ft) from plots 7 and 8 at the front of White City Place, north of South Africa Road that are in the masterplan.

Imperial West (North)

- 13.6. 10,219 sq m (110,000 sq ft) to let for summer 2016 on the 4th to 11th floors of the Research & Translation Building.

Imperial West (South)

- 13.7. Potentially 1,000,000 sq ft of B1 office space to let between 2022 and 2030

Earls Court

- 13.8. The outline planning permission is in 5 phases with the B1 employment uses not in the phases that must be commenced no later than 5 or 7 years but in the latter 3 phases that must be commenced by 10, 12 or 17 years from the outline consent.

13.9. The consent includes:

Potentially before 2023

- **Development Plot BW04** - Principle land use business use (B1) and residential use (C3). This plot must not exceed 77,043 sq m (829,291 sq ft).
- **Development Plot BW06** - Principle land use business use (B1) and residential use (C3). This plot must not exceed 45,023 sq m (484,628 sq ft).

Potentially before 2030

- **Development Plot WK02** - Principle land use business use (B1). This plot must not exceed 31,812 sq m (343,424 sq ft).
- **Development Plot WK03** - Principle land use residential use (C3) and business use (B1). This plot must not exceed 40,485 sq m (435,780 sq ft).

13.10. There are 3 other plots where the principle land use is residential (C3) but that office use can be part of the scheme but of the 16 plots 13 have a principle use of residential.

13.11. Any Earls Court new supply needs to be considered in context with the loss of the conversion of 40,105 sq m (431,700 sq ft) Empress Place State office building in Lillie Road as this will be a substantial loss of office stock for LBH&F, just over 4% of the supply or about 1 year of average take up of office space.

245 Hammersmith Road

13.12. The 15,793 sq m (170,000 sq ft) former Bechtel office building will be demolished and then replaced by a new 242,000 sq ft office building with 13,000 sq ft of retail on the ground floor and so a gain of 2,452 sq m (72,000 sq ft) for 2017 in LBH&F.

King House, 174 Hammersmith Road

13.13. The 3,066 sq m (33,000 sq ft) former Haymarket office building has been demolished this Summer. It is to be replaced by a new 5,518 sq m, (59,400 sq ft office property and so a gain of 2,452 sq m (26,394 sq ft) for 2017.

13.14. This gives a total potential new supply from these schemes before 2020 of 137,800 sq m (1.48 m sq ft) yet on employment projections set out earlier in this report this is a 93,000 sq m (1 m sq ft) under supply of the office required by 2021 using TBR's B1 employment projections.

13.15. An estimate of total new supply before 2036 providing Stanhope achieve pre-lets and Capital & Counties and Imperial College construct all the potential office content on their schemes is 349,304 sq m (3.76 m sq ft). This is just under the 383,454 sq m (4.13m sq ft) that is forecast to be required earlier in this report. Although this does appear to recover back some of the 93,000 sq m (1,000,000 sq ft) shortfall of supply in the next 5 years, this will only be the case if no other supply is lost through PD or planning which is unlikely. It is a concern that so much of the supply is at the discretion of Capital & Counties, Imperial College London and Stanhope. Capital & Counties control whether 55% of the 3.76m potential pipeline is built before 2036, Imperial

College London 27% and Stanhope 13%. Kings House being developed by Kier and 245 Hammersmith Road is just 2.8% of pipeline supply.

POSSIBLE FUTURE SUPPLY

Old Oak

- 13.16. Whilst it is now outside the remit of the Borough we have asked London & Regional the joint venture partners for their opinion on the amount of offices at the Car Giant scheme. Whilst it is a residential led scheme they have estimated that there will be 93,000 sq m (1,000,000 sq ft) of B1 offices here in 10 years' time (2025) together with a 46,500 sq m (500,000 sq ft) museum and 23,000 sq m (250,000 sq ft) of retail and restaurants.
- 13.17. At 162,580 sq m (1.75m sq ft) this Old Oak scheme will be similar in size to the Chiswick Park office campus opposite Gunnersbury station in Chiswick High Road that is 167,225 sq m (1.8m sq ft). The impact of Chiswick Park has been that some larger Hammersmith occupiers migrate there to lease the larger properties available generally in Chiswick Park when the supply of larger properties are not available in Hammersmith. These companies include United International Pictures that relocated to Chiswick Park when their lease expired at 45 Beadon Road which has now been demolished to make way for Berekely Homes' residential scheme in Hammersmith town centre called Sovereign Court.
- 13.18. We consider that Old Oak will have a similar impact to Chiswick Park in that larger occupiers will migrate here to lease new office properties should no new large office developments occur in the rest of LBH&F.

Kensington Olympia

- 13.19. Similar to Earls Court the 105,538 sq m (1,136,000 sq ft) Conference centre may be developed to include more B class use than its existing 8,594 sq m (92,500 sq ft). It is owned by the Earls Court developer, Capital & Counties, but the high local residential values will mean the developer would probably prefer a residential led scheme unless planning policy dictates otherwise.

The former Imperial Gasholder Site, Imperial Road

- 13.20. This 17 acre disused gasholder site is located in Sands End, and falls within the LB Hammersmith and Fulham's South Fulham Riverside Regeneration Area. The gasholders are located between Imperial Road, Michael Road, Gwyn Close and the London Overground rail line at the rear of the site. The site is currently accessed from Imperial Road to the South and Michael Road to the West.
- 13.21. St William were granted planning permission by the London Borough of Hammersmith and Fulham on 12th November 2014 to dismantle five of the six gasholders. By removing the gasholders, National Grid have said that they will make way for the long-term regeneration of the site. The four Grade II listed buildings on the site, including Gasholder No. 2, the world's oldest gasholder, will be preserved and incorporated into a new outline masterplan for the site. They state that the long-term vision for the redevelopment of the site is for new homes, shops,

offices and public spaces and have said that work on the gasholders will start in late 2015 and will be completed on a phased basis over a number of years.

- 13.22. Given the higher residential values locally and proximity to the interior designers of both Chelsea Design Centre and Kings Road it is our opinion that it is likely that the scheme proposed by the owners will be residential led with retail.

Car Parks

- 13.23. The reduced use of the car for office workers means that other car parks in the Borough could be developed like Kings Mall and Seagrave Road car parks.

West 12

- 13.24. There is a 236 space above ground car park at the West 12 shopping centre at Shepherds Bush. Similar to the reduction in car parking at The Kings Mall Centre this could potentially be a B class site but The Kings Mall Car Park is making way for a residential scheme.

Olympia Centre Car Park

- 13.25. This could potentially be a B class site but the high local residential values will mean the developer would probably prefer a residential led scheme, similar to the Earls Court residential led scheme.

Roof Extensions to Existing B class space.

- 13.26. Lower rise office properties may be extended upwards where appropriate. Examples this year have been a new floor at 1 King Street, 1-15 King Street opposite Hammersmith station and several floors at the former Access Storage Building, 184 Shepherds Bush Road at Brook Green.

Smaller B class buildings within mixed residential development

- 13.27. An example of good new supply is the development of the former industrial building at Palco House, 11 Beavor Lane within the Ravenscourt Park submarket.
- 13.28. Planning permission was granted on 11th November 2013 for the redevelopment to provide 8 x 4-storey four-bedroom townhouses as well as a new B1a use office building of 511 sq m (5,500 sq ft) net internal area office building. The new office building will provide much needed supply in Q1 2016 and will employ more people than the previous 1858 sq m (20,000 sq ft) factory.

Royal Mail Depots

13.29. Should Royal Mail decide that these are not operationally necessary than these depots would be viable for B class use if allocated to this in terms of planning terms.

13.30. The depots are:

- Post Office Collection Office at 2 Vencourt Place in the Ravenscourt Park submarket
- Fulham Delivery Office, Fulham Road in the Fulham submarket
- West Kensington Delivery Office in the Olympia submarket

Public Buildings

13.31. Fulham Town Hall was sold for residential led scheme but could have been a potential office scheme if the land had been allocated to B use class from Sui Generis.

Hammersmith Police Station and associated buildings

13.32. These buildings on Shepherds Bush Road adjoin the successful office scheme, Hythe House in Shepherds Road, and could have potential as B class offices.

Hammersmith Bus Station

13.33. There is a gap between 1 Queen Caroline Street and 3 Queen Caroline Street that may be able to accommodate a new B1 office building with the buses still able to access the ground floor.

Remaining Wharves, industrial and warehouse properties

Carnwarth Road, Townmead Road, Bagley's Lane and Imperial Road

13.34. The wharves and industrial buildings could provide B class space to this area as all the offices are fully let in this location. However, the wharves are safeguarded for waterborne freight transport. The high local residential values and riverside location will mean the developers would probably prefer residential led schemes.

Richford Street and Trussley Road

13.35. Industrial buildings and builders merchants could provide B class space to this area as all the offices are fully let in this location. The high local residential values associated with nearby Hammersmith Grove will mean the developers would probably prefer residential led schemes so the B class use will need to be planning led.

14. CONCLUSION

LACK OF SUPPLY CAUSING EMPLOYMENT TO FALL IN LBH&F

- 14.1. In our opinion the evidence of this report suggests that the fall in employment in LBH&F in 2013 and 2014 is related to a reduction of employment space rather than an economic slowdown.
- 14.2. LBH&F is entrepreneurial in that the number of new businesses created increased by 1.4% between 2009 and 2014, a faster rate than in the rest of London generally. However notwithstanding the growth in businesses, the number of jobs has fallen. In the adjoining RBK&C that has an exemption from PD rights and a more protective stance towards B class use generally, there has been an employment increase in the last 2 years. Similarly London wide where the Central Activities Zone (CAZ) has an exemption from PD there has also been an increase in employment.

DRAMATIC LOSS OF B USE CLASS PROPERTY

- 14.3. In an office market that is supply constrained in both the West End and to the west of West End including LBH&F, demand in 2014 was over the 5 year average. However rather than new supply meeting this demand 78,002 sq m (849,000 sq ft) of B class stock has been removed through PD since its introduction on 30th May 2013. Much of this stock are smaller office buildings as larger buildings tend to have wider floor plates and are therefore more difficult to convert to residential. Also the smaller buildings tend to be owned by individuals and companies that are more likely to forgo income for a sale at an enhanced market value than larger pension and insurance companies.
- 14.4. In addition to PD loss, 71,225 sq m (766,656 sq ft) of formerly B class land and buildings has been converted or demolished with planning approval for construction of residential property since 2012.
- 14.5. The total loss of B class stock since 2012 has been 149,227 sq m (1,606,261 sq ft). This is the equivalent space for 18,653 employees. Since 2005 the B class stock has reduced from 2.186 m sq m (23.5m sq ft) to 1.2m sq m (12.87m sq ft). This is a loss of about 45% or just under half of the entire stock.
- 14.6. Unless LBH&F gains exemption from any extension of the PD legislation beyond 30th May 2016 future supply of offices through the planning process will need to be accelerated in order to offset this loss to residential. Without such an approach, there will a continued loss of employment, which could have a dramatic effect on the daytime trade of restaurants, pubs and shops that provide amenity to those living in, as well as those employed in, the Borough.

LBH&F A MORE VIABLE B USE CLASS LOCATION ACROSS THE BOROUGH

- 14.7. Since the last employment study in 2005 public transport has improved. Extra railway stations have been constructed in the Borough at Shepherds Bush and Imperial Wharf, the Circle Line has been extended to Hammersmith, more employees are cycling to work and more company directors are seeking to work nearer their home rather than travel further into the centre.

Westfield London has been constructed providing shopping and restaurant amenity to Shepherds Bush and White City improving this area dramatically as an office location, Olympia is now connected to Shepherds Bush, Imperial Wharf and Clapham Junction with regular trains on the Overground network.

- 14.8. The combination of the improved transport and the preference for many employers and employees living locally, in west London or in the western home counties not to have to commute into the West End, City or City fringe has meant that some of the office locations that were more marginal in LBH&F are now successful and fully let. Examples include Chelsea Harbour in the Imperial sub market, Fulham Green in the Putney Bridge submarket and Coda Studios in Munster Road in the Parsons Green submarket. This has been evidenced by the take up and near doubling in office rents since 2012 across the Borough.
- 14.9. Whilst some employees may be working permanently at home office take up and demand in this report shows that office demand is at about its 5 year average and so it appears the majority of employees are spending some or most of their working time at a place of work. Through our commercial agency aspect of our business we observe many employees and employers that live close to their place of work and they do not wish to commute or work in the more expensive, congested centre of London. They therefore consider the fringe market of LBH&F an attractive alternative to central London.
- 14.10. This has meant that the majority of the Borough is a viable office location and it is only the pressure of higher residential values not the viability of the land as offices that is causing the desire by building owners to change the use of their property from office to residential. What this report has demonstrated is that the office market is buoyant and viable right across the Borough. There is very little vacant space and there are no locations where large numbers of unviable office buildings are lying vacant as a result of no demand for them as offices.
- 14.11. If more B class supply is lost these employers and employees are most likely going to be forced to relocate further into the centre of London rather than to places with inferior public transport further out of London. This will increase congestion in the centre of London and reduce employment in LBH&F.

POTENTIAL NEW SUPPLY

- 14.12. The redevelopment of the land around Wood Lane by Stanhope on the former BBC sites in the west side of Wood Lane and by Imperial College London at Imperial West (North) north of the Westway and Imperial West (south) east of Wood Lane are the most important potential B use class employment changes through redevelopment that may occur in the Borough together with the redevelopment of Earls Court. However if Imperial College London had not purchased the land for Imperial West south from Helical Bar and Aviva Investors this too would have been a residential led scheme with 19,623 sq m (212,000 sq ft) of offices rather than potentially 93,000 sq m (1,000,000 sq ft) of new offices.
- 14.13. All former employment sites need to be planning led and not considered just suitable for C3 residential because this use creates the highest capital value or because the site has been

purchased by a residential developer. Once a C3 use residential development is constructed and sold off to separate occupiers it cannot then revert back to employment use in the future.

POSSIBLE POLICIES THAT MAY ASSIST RETAINING B1 PROPERTY AND IMPROVING NEW SUPPLY INCLUDE:

Obtain an Article 4 that grants an effective exemption from PD

- 14.14. RBK&C won an exemption from PD yet LBH&F is a larger office market with a concentration of various important industries such as TV production. LBH&F would have greater capacity to prevent further loss of B class stock and properly manage its B class supply with an Article 4 direction that effectively exempted LBH&F from PD.

Reduce local Community Infrastructure Levy (CIL) for office development

- 14.15. This may encourage some office development that may have otherwise been residential or retail led.

Protect B class use through planning process and land allocation and encourage B1 use from Sui Generis land.

- 14.16. LBH&F could request minimum requirements of B1 allocation in mixed use schemes that must be constructed before or simultaneously with the residential, retail or other uses. For example it would be possible to seek re-provision of employment use space on an existing employment site within a new larger mixed use scheme. This report shows that sites such as the M&S site at 54 Wood Lane and the Earls Court regeneration could have provided new B1 use class space successfully as these areas are viable, desirable and in demand office locations yet both are residential focused with office supply only coming on stream at Earls Court during later phases.
- 14.17. Whether or not B1 supply is provided is entirely at the discretion of the developer after the residential element of the scheme has been constructed.
- 14.18. Where sites are owned by residential developers and where residential capital values are more valuable it is inevitable that B class uses will not be the primary land use and in some cases may not be voluntarily constructed.

Ensuring replacement B class space is not inferior

- 14.19. Replacing B class use with ground floor retail type space or basement space could be resisted as this is still essentially a reduction in the supply of employment space as basement offices are not desirable and are often converted later to more suitable use classes such as D1 and ground floor space in mixed use schemes is often used as a showroom or retail rather than a B1 office or studio use. These uses do not employ as many people as B use class. For example the planning consent for the residential led scheme at the former Goldhawk Industrial Estate, 2A Brackenbury Road reduced the B class content from 2,360 sq m (28,310 sq ft) to 2003 sq m (21,561 sq ft). This loss is also compounded because approximately half of the B class space will be in the new lower ground floor. Innocent Drinks had their head office here together with other businesses. Innocent Drinks relocated to neighbouring RBC&K following this consent. Stringent marketing tests that are then reviewed by external professionals before loss of B class use is permitted.
- 14.20. When developers are asked to provide marketing tests to show that an employment site is unviable, a robust review of the reports produced by developers' professional advisors should be undertaken. This review should be completed by an independent professional to ensure that the viability is not just a matter of opinion, and to ensure that buildings have not been deliberately left vacant and have been marketed properly to avoid deliberate vacancy.
- 14.21. Our business has witnessed many reports for residential developers that we consider are one-sided and can be challenged in terms of the viability of the commercial buildings where that developer wishes to remove an employment use for a more valuable use such as residential or retail.
- 14.22. We have on occasions represented the adjoining Borough, RBK&C to challenge spurious marketing reports and to prove viability of a particular office location. LBH&F could consider this approach to their B class stock.

Affordable workspace instead of affordable housing

- 14.23. Some Boroughs consider affordable workspace as an alternative to affordable housing where the need for employment space, particularly for smaller companies is greater than the need for affordable housing. In our opinion the evidence of this report suggests that the loss of employment in LBH&F in 2013 and 2014 is related to a loss of employment space rather than an economic slowdown.
- 14.24. It is the smaller B class properties that have been most rapidly lost as a result of PD which has displaced many of the Borough's smaller companies. The problem with this is that subsidising offices or shared workspace would be at the expense of some affordable housing as potential development sites would fail on viability if both affordable housing and affordable workspace erodes the developer's profit below the market level which is usually 20% on cost.
- 14.25. There are London development sites where subsidised commercial space for artists or start-up companies forms part of the section 106 negotiations. Examples have occurred in the adjoining Borough, RBK&C and numerous schemes near the former Olympics under the jurisdiction of the

London Legacy Development Corporation. At a political level here it has been decided that more affordable workspace is required, presumably because they consider enough affordable housing is already being allocated or employment has taken priority in these sites.

Encourage Start Up Hubs and Co-working

- 14.26. Starter hubs and co-working can encourage small businesses to begin in an area.

Start Up Hubs

- 14.27. A 'start up hub' is a cluster of businesses that have just been incorporated. At the early stages of a business's growth, particularly with a new idea or untested concept in the market there is uncertainty over factors such as how fast or slow a business will grow. This means the finance and number of employees in the first few years is difficult. For these reasons these businesses prefer to locate where they do not have to commit to a lease for say 3 or 5 years because they do not know at the early stage whether this lease will be affordable or whether the size of the office will be correct for the number of employees required in the near future. Traditionally these types of businesses have often begun with the business owners starting their businesses at home or at serviced office buildings.
- 14.28. In LBH&F companies like Regus, MWB, Avanta and Ugli have provided office space that can be rented per person for 3 months at a time rather than the more conventional leasing whereby the landlord and tenant commit to each other to 3 to 5 years. The problem with serviced offices from a new company's perspective is that they are paying for this flexibility through higher rents than in conventional offices on longer leases. One way to describe this would be to use the metaphor of the choice people between staying in a hotel and renting a flat in a City. Whilst it is convenient and flexible to stay in a hotel, in the medium term it is more expensive than renting a flat.
- 14.29. Start-up hubs differ from serviced office in that often they are in comparatively cheaper parts of London, in lower specified buildings i.e. in basement or ground floor space only and are therefore more affordable than serviced offices. In addition start-up firms can pool resources such as accounting or technology advice and they can benefit by having other professionals in similar industries nearby for networking opportunities.

Co-working

- 14.30. Co-working is the concept of having a hub of different businesses, usually small businesses, sharing an office space or building without the division walls between each company that you would see at a multi-let office property or a serviced office building.
- 14.31. There have not been many start-up hubs in LBH&F in comparison to, for example, the eastern Fringe of London, in Old Street, Shoreditch, Dalston, London Fields, Hackney and Stratford. There are a number of reasons for this but it is not just because Old Street has become associated with technology firms because the largest sector of take-up in LBH&F is the TMT (technology, media and telecoms sector). The main factor is the lack of availability of offices and

therefore the high rents commanded for office space that could otherwise be used as start-up hubs but is instead let to larger companies that can afford the rent and commit to longer leases.

14.32. The ways in which LBH&F could encourage start-up hubs and co-working other than generally retaining and encouraging office supply in the Borough could be:

1. Ask developers to provide affordable start-up hubs and co-working as part of the s106 agreement for residential schemes.
2. Guarantee the leases of co-working companies in exchange for a share in the profits these companies earn from the start-up companies that are renting from them. This would enable these co-working firms to compete for leases in office property that would otherwise be let to more established companies.
3. Lease surplus commercial property owned by LBH&F to co working companies.

15. APPENDICES

Appendix 1	Comparing the Economy of LBH&F to other Boroughs and London <ul style="list-style-type: none">▪ Headline figure comparison▪ Age of businesses▪ Location of ownership of businesses
Appendix 2	Employment concentration in LBH&F compared to other Boroughs, London, England and the UK
Appendix 3	Office Demand from westendagents.com between August 2014 to August 2015
Appendix 4	Concentration of business numbers by postcode
Appendix 5	Employment projections for LBH&F
Appendix 6	Overview of economy and land use classes in Hammersmith and Fulham
Appendix 7	Conclusion on Previous Studies