



Greggs Bakery / Twickenham

Demand Report

Prepared by Milestone Commercial

05 August 2022

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1. Introduction

This report has been prepared by a local independent commercial property agent to provide an opinion of the specific, local market for industrial use on the former Greggs bakery site.

The purpose of this report is to assess the existing local market in relation to demand on this site for industrial employment floorspace. The report will cover current and future demand for new-build business premises and the likely viability of such a proposed scheme.

2. Site Context

The former Greggs Bakery Site and No 2 Gould Road, Twickenham, TW2 6RT is located in a residential area comprised of a Victorian streetscape of smaller terraced family homes that are somewhat more affordable than much of central Twickenham and nearby Strawberry Hill. With the possibility of extending the traditional 'two up two down' layout, these houses are highly desirable. In addition to this, the area is noted for its array of excellent local schools.

The premises have been out of commission as food production for some 5 years following the decision, as noted below, by the owners to relocate to modern facilities away from an anomalous setting in a residential side-street. Whilst there is vehicular access to the site via Edwin Road and Crane Road at the confluence of a 90-degree right-hand turn with Gould Road.



Crane Road towards Greggs

1.

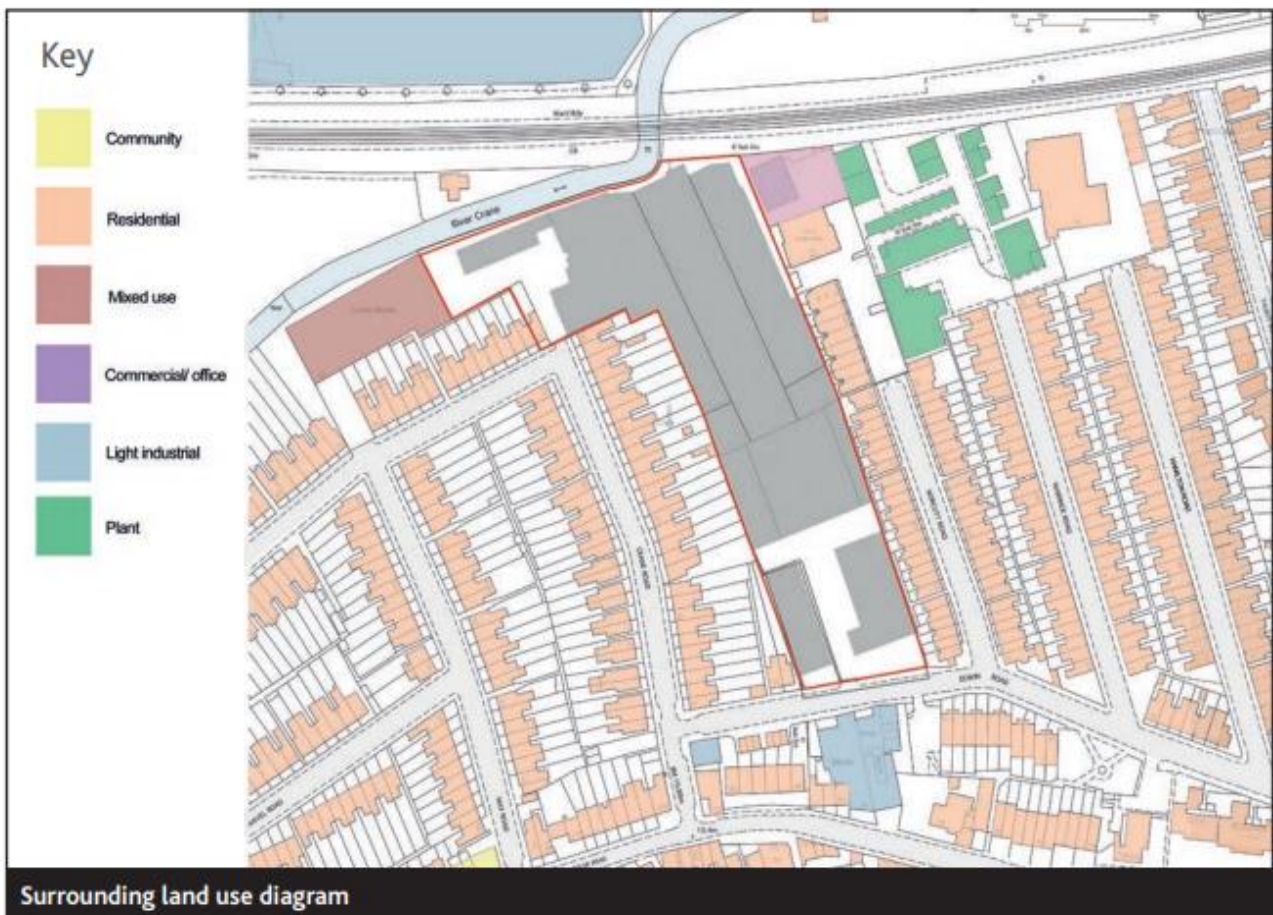


Gould Road towards Greggs



Gould Road entrance

2.



Land use diagram

Infrastructure and Services

Twickenham benefits from a fast rail service to London Waterloo (22 minutes) making it a very desirable commuter town, the site lies to the west of the town some 20 minutes' walk from the train station. Buses pass nearby at Staines Road providing connections to Kingston and Richmond town centres as well as Chiswick and Hammersmith further afield. The town centre provides access to 3 remaining banks, a post office and an array of cafes, bars, and retailers.

The neighbouring streets provide restricted resident parking only, via a Controlled Parking Zone (CPZ) parking is unavailable between the hours of 08.30am and 18.30pm. Consequently, there is little if any on-street parking, as most visitors will arrive during the permitted working hours of the CPZ.

Apart from some permanent residential streets in Richmond and near to Twickenham Rugby Stadium, this severe restriction applies across Twickenham. Compare this to Teddington town centre's CPZ which is only enforced until 10.30am or Whitton High Street where on street parking is available for 2 hours.

Existing Local Workspace

Purpose-built light industrial units are located nearby along Edwin, Colne and Mereway Roads. These units are smaller in comparison to the Greggs Site and benefit from being stand-alone, unencumbered by adjoining residential housing and accessed by wider vehicular routes. These units are currently occupied by engineering firms, car mechanics, welders, metal-fabricators, a brewery and a sign maker, as well as artisan units for food preparation.

Crane Mews is located in a back-land development of converted industrial buildings. Originally offered as a purpose-built, freehold office development from 2008, following changes to permitted development rights, a number of the units have now been converted to residences. At the time of writing two of the business units, 5 & 14, are on the market to let with one instruction dating from 2018. A further two units, 10 & 11 are for sale as of March 2022.

The abutting Lockcorp House (242 Sq. M. GIA) has planning consent for demolition and rebuild as 15 affordable units with associated parking. This follows the liquidation of the commercial property owner.

Previous Employment Use

The entire site has been used as a large production bakery long before Greggs' tenure, with Coombes Bakery formerly occupying the site. Greggs took on the premises until 2017, when a press release was made regarding the impending closure of three bakeries and 355 job losses across the UK.

Greggs noted that the decision to close production in Twickenham was due to site constraints and clashes with residential uses. Greggs noted that the site simply couldn't operate in the location with modern delivery demands and logistics, namely articulated lorry delivery of high-volume ingredients, inward and mass delivery of freshly baked goods out to a network of retail outlets. As a consequence, it was deemed that a planned £100 million nationwide investment would be better spent on modern production facilities outside of traditional factory units in predominantly residential locations. Greggs subsequently relocated to Enfield in 2017.

3 Market Appraisal

In this appraisal, we will assess the suitability and viability of, as well as the demand for employment floorspace as E (g) (iii) light industrial use on this site.

Suitability

The proposed development comprises 883 M2 of market rent light-industrial space and following pre-application advice a further 117 M2 of affordable workspace. All of which, as noted before, located in a densely populated residential side street to which a further 97 dwelling units are envisaged, accessed independently via Gould Road.

Whilst independently accessed, the tight location raises concerns that this intensification of deliveries, goods out, reversing vehicles, noise and noisome processes is incompatible within a setting which seeks to provide a pleasant family living environment for both the proposed and existing residential properties. This in turn provides a less than conducive working environment for any industrial user having to be constantly aware of the restrictions the site imposes and to co-exist in a residential neighbourhood where the streets are routinely blocked with home deliveries, utility and builders plant and materials deliveries.

We understand that on account of LB Richmond policy requirements that transport modelling has been undertaken leading to the quantum of light-industrial use proposed, irrespective of demand and viability.

Demand

We enclose a spreadsheet (**figure .1**) of available commercial workspace as light-industrial only within a reasonable commute of three miles, as many production businesses will travel further afield to secure suitable premises and staff. The total floor space available is some **227,000 Sq. Ft.** Much of this available space, with the exception of the North Feltham and Dolphin industrial estates, offers very similar specifications in terms of available facilities, size, location and condition to the proposal offered below.

Following the pandemic, we have seen a major shift in focus towards investment in purpose-built distribution hubs, which continues apace. Investment portfolios are moving away from office and retail spaces and towards what is perceived as low-yield yet low-risk fulfilment centres, taking advantage of the growth in home deliveries and online shopping.

Distribution from remote third-party warehousing is now the norm, with smaller wholesale and specialist manufacturers taking advantage of low-cost fulfilment opportunities outside of Greater London. It is no longer necessary for smaller operators to maintain staff and provide onsite pick and pack services, allowing them to compete with the larger E commerce retailers.

However, these centres are unfailingly located outside the M25, close to major road networks with easy access for container lorries with safe turning areas. These sites also allow for HVAC/ extraction, fork-lift unloading into existing racked facilities in double-ridge height, purpose-built units. We do not see demand for the former back street works knowing the existing site constraints and the incompatibility such intensification can have on existing local communities.

Last Mile Delivery

We note from the Colliers marketing history that approaches were made to the established scale last-mile delivery companies who declined further interest given the challenges of the location.

At Milestone Commercial we have recently been successful in letting former industrial units to newly established 'last-mile' grocery delivery companies. It is fair to say that there is a gold-rush of investment taking place in this nascent technology-based grocery market, with no less than three such businesses occupying adjacent units in Princes Works, Teddington.

These companies have very specific needs, including 24/7 dispatches from off-sales of alcohol licenced premises within a 10-minute window for scooter deliveries.

While this appears to be a modern-day success story, time will tell if there is to be consolidation, with 5 main players chasing a very early version of the market. We note the recent CNBC market update regarding job losses and withdrawals already underway (see enclosure).

Currently, all the units taken by last-mile delivery are in pre-existing light-industrial estates away from residential areas. At Princes Works, which is accessed through a private drive, a significant number of objections were raised against the application for a licence and we would question the compatibility of such use in a predominantly residential setting.

Greggs

At this juncture, it is worth reiterating the reasons for the previous occupier's departure. As local agents we were contacted by Greggs when they were reviewing their industrial estate.

The property director expressed frustration with the site it's confined positioning and incompatibility with the surrounding residential context and how it couldn't evolve into a modern industrial production and distribution unit.

Access from the main road in modern vehicles was almost impossible, unchanged since its days as Coombes Bakery, delivering on vans through the narrow terraces and exacerbated further by residents parking on both kerbs throughout the area.

As frustrating for the residents as it was for the logistics team at Greggs, we note that neighbourhood consultations to date are all in favour of replacing this anachronistic use. The site could only achieve scale production if all limitations on the site in terms of operating hours, noise and vehicle movements were disregarded to the detriment of the residential neighbours. We believe that in redeveloping the site, these constraints will inadvertently apply on delivery and distribution.

Suitability

The site is located in a residential side street. Whilst residents in the area would benefit from access to local schools, nurseries, nature reserves and local open spaces, the site is a difficult location for employment commuting being hampered by a complete lack of business parking, the CPZ covering the working day.

Companies regularly report difficulty attracting key staff if there is a complicated commute and parking issues to contend with. If the site is redeveloped solely as commercial use, we see no alternative than car journeys being added to an already overcrowded rush hour with commercial vehicles contending with and congested school run in what is infamously one of London's pollution hot-spots and parking being pushed further out into the borough's side-streets away from the CPZ.

4. Viability

We have grave concerns with regard to any developer funding new-build commercial space in the current market.

Aside from the actual land purchase price, decontamination, professional and agency fees, the cost alone of building modern business units will impact on viability and we would strongly urge any developer to closely monitor building material prices – which are at an all-time high and rising (figure 3.) – throughout the planning stage.

The purchase of this site for redevelopment as light-industrial units in a market with falling rents, reduced lease terms (and the quality of covenant therein) to provide a meaningful return on investment would be high risk. We note the continued marketing on behalf of Greggs throughout to no interest from traditional manufacturing and distribution uses.

The site remains unviable due to the site constraints noted; proximity of residential property, parking controls, limitations imposed on HGV deliveries, noise etc. The site would only work if it was free to operate 24hrs a day but this seems unlikely given neighbour opposition and local authority conditions. The reality is in these non-conforming locations any intensification does not attract support or interest from end-users or the local residents.

Planning Gain

Retained commercial space in new developments are referred to as planning gain. However, as is evidenced in recent mixed-use developments, this is not always a commercially viable condition.

The ground floors of nearby developments at Twickenham Gateway and Brewery Wharf, consented with general E class use are 50% vacant. Twickenham House on nearby Heath Road has similarly laid empty for many years and, as was the case at the Sandy Lane development, recently achieved consent for conversion to residential in part.

With regard to E (g) (iii) formerly light industrial, we have been personally involved in the premises at 139-143 Station Road Hampton, which was originally conditioned as retained light industrial use on the ground floor to replace an MOT/ repairing garage and pine-strippers and retailers.

The developers successfully argued that this was inappropriate for the setting, with potentially noisy and noxious processes taking place under new-build apartments. LBRUT conceded this point in 2020 following application and General E class was granted to widen appeal, yet two out of the three units remain vacant as of April 2022.

Brexit

We feel it important to stress the ongoing impact of Brexit on the demand for office and light-industrial space. Take-up was already in great decline following the outcome of the Brexit referendum and we see no signs of recovery.

Whilst more upbeat analysts attribute this malaise wholly to the pandemic, we have spoken to several local businesses with whom we have long associations, often growing from kitchen tables and enjoying thriving export books, who have simply given up on exporting to or importing from Europe.

This has led to workspace being on the market for prolonged periods - up to 5 years in some cases - with demand continuing at an all-time low. Landlords, who pay void business rates and insurance at 100%, are attempting to incentivise lettings by offering lower rents, rent-free periods, and shorter leases without success.

The demand for 1000+ sq. ft. of space has never recovered since the vote. Levels of void commercial space are now mirroring those seen during the banking crash of 2008.

We recently surveyed available commercial workspace under E class office (figure 2) gathered on the day of this report from local agents active within the borough and, where applicable, national management companies with local instructions. This is often the case when a vacant site forms part of an investment portfolio for pension funds and family trusts.

The total available vacant commercial space is in **749,000 sq. ft.** This does not of course include businesses trapped in residual, legally binding leases.

5. Conclusion

As shown, the total existing Commercial space defined as light-industrial use, freely available on the open market is 227,000 sq. ft. In the local area Swan Island, Mereway Road, Colne Road, Edwin Road, the Twickenham Trading Estate on Rugby Road, Heathlands Business Park and the St Margaret's estates all provide substantial purpose-built alternatives.

There is currently no demand for tertiary E class light industrial uses in residential areas where the preference remains for strong transport links or local trade hubs.

We would not be confident of securing a meaningful letting in this location, so far from supporting services, public transport amenities and parking along with the negative impact of parking, noise and deliveries noted in this report .

Regarding the site's suitability and appeal for industrial use, logistics management in such a difficult location has been superseded in subsequent decades by purpose built, easy-access estates with swift links to the motorway network.

In addition to this, there is a surplus of business parks and stand-alone office premises that have been ringfenced by article 4 protection.

We are of the opinion that some of this vacant space could be transformed under the new E class into light-manufacturing and distribution use under the new PDR and we are encouraging property owners on larger to explore this option where suitable.

We have concerns that any proposed medium or large-scale light-industrial or distribution use, or indeed any other manufacturing process, would be an accident risk with multiple road journeys on vehicles inappropriate for the setting. The noise generated by deliveries, reversing lorries and continuous dispatch would be onerous for the residents regardless of any industrial processes.

Business rates remain a major deterrent to commercial letting and sales. Whilst the Covid bail out brought welcome relief to the hospitality and retail sectors, the 50% reduction in business rates payable was not extended to office or industrial end-users or indeed landlords with vacant space. Void periods are extending to years not months, with the burden of 100% business rates and insurance falling to the owner.

The lack of substantial parking is wholly detrimental to any commercial scheme located in a tightly controlled CPZ not easily accessible by public transport. We routinely accompany businesses on tours of available workspace in the borough and the feedback is always that they would struggle to retain and attract staff with a difficult commute and no on-site parking.

Many wholesale suppliers now operate online and outsource for third party warehousing and delivery, slashing operating costs. Remote working, either in the field or home-based leaves the requirement for associated office-rich warehousing space negligible.

Given the lack of demand for industrial floorspace in this location, LB Richmond policy requires us to assess the land for other employment uses. In terms of offices, commercial marketplace is left with a large oversupply of unconvertible office space under permitted development rights (where for example, floorplates and fenestrations do not allow for subdivision).

We believe that E Class business units on the site will only add to a continuing oversupply of inappropriate industrial processes.

Proposal

We note the proposed industrial-led scheme of double-height commercial workspace, some on-site parking and access from Edwin Road and whilst there are examples where smaller units of this scale have been successful in the borough, there is no comparison in terms of access, turning bays and wider facilities, as in the case at nearby Mereway Road.



Any conditions placed on such an application to make it suitable to its residential context would have a detrimental effect on the ability to let the workspace at a viable market rent. The preference would in any lease be to have unfettered access as is the case at Princes Works Teddington .

We would use the example of the welcome return of artisanal bakeries, ever popular across London in Delicatessens, farmer's markets and cafes. This would require the working day to commence at 3am. Whilst the smaller production run may leave the estate on transit vans it remains true that raw goods inward are cheaper in bulk and remain on HGV delivery routes.

The long-established Hampton Hill production unit of the Cavan bakery was enforced following noise complaints by new residential neighbours and were forced to relocate out of the borough. Our comments on this intensified use in a residential setting are noted in this report.

Background Information on Author

Milestone Commercial refers to Milestone Commercial Agency Ltd (Registered in England Company No. 4216695) which provides specialist local commercial property agency services.

Established for 25 years from our Teddington offices, we offer associated professional services via our retained FRICS surveyors Milestone and Collis and Chapman Consulting. We provide valuation services, advice and marketing in all aspects of commercial property including retail, office, light-industrial and industrial for both landlord and tenant.

We also provide development appraisals and specialise in freehold sales and acquisitions. The market appraisal of this property has been conducted by Michael P Martin of Milestone Commercial Agency Ltd. who has 25 years of direct experience in the local property market and has been managing director of the above-named agency for 14 years.

Milestone Commercial Agency Ltd. does not operate in the residential market and is a separate business to any similar named estate agency.

Please note this information is provided in good faith and without prejudice.

Signed:

A handwritten signature in black ink, appearing to read 'Mr Martin'.

Michael P Martin
Managing Director

Figure 1 Light Industrial availability

Address	Size	Agent
Unit 3 - Swan Island, The Boathouse, Strawberry Vale, TW1 4RX	779	Snellers
5 Teddington Business Park, Station Road, Teddington, TW11 9BQ	828	Snellers
6 Wood Lane, Isleworth, TW7 5ER	8744	Snellers
7 Teddington Business Park, Station Road, Teddington, TW11 9BQ	857	Snellers
106 - 110 Whitton Road, Hounslow, TW3 2ES	4,434	Snellers
24 Cross Road, Feltham, TW13 6QW	5404	Snellers
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	3846	Snellers
Rear of, 19 Barnes High Street, Barnes, SW13 9LW	1475	Martin Campbell
2 Liffords Place, 3 Barnes High Street, Barnes, SW13 9LR	1290	Martin Campbell
Unit 12, The Ashway Centre, Elm Crescent, KT2 6HH	3730	Martin Campbell
1a Liffords Place, 3 Barnes High Street, Barnes, SW13 9LR	3750	Martin Campbell
22 Red Lion Business Centre, Surbiton, KT6 7QD	6,425	Martin Campbell
The Chapel, Orleans Road, TW1 3BL	2073	Michael Rogers
Lichfield Court, Sheen Road, Richmond, TW9	779	Michael Rogers
76 Glenthams Road, Barnes, SW13	4,114	Michael Rogers
The Green, Twickenham, TW1	3,659	Levene
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	1,711	Levene
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	3932	Levene
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	1285	Levene
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	1,050	Levene
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	630	Levene
Solway Close, Hounslow TW4	1600	Milestone
Bridle Close, Kingston Upon Thames KT1	140	Milestone
Fordbridge Road, Sunbury-On-Thames, Surrey, TW16	21690	Farino Cole
Communication Park, Green Lane, Hounslow, TW4 6DL	14,132	DTRE
Steyning Way, Hounslow TW4	9,917	Monarch
Cherrywell House, TW4	9,916	Monarch
Dockwells, North Feltham Trading Estate, TW14	929	Capital Industrial
Clock Tower Road, Isleworth, TW7	5,000	Churchills
Transport Avenue, Brentford TW8	160	WOW Workspaces
Unit 9, Heston Industrial Mall, Church Road, TW5	2,648	LOGIX Property
C7, Heathrow Corporate Park, Green Lane, TW4	2,185	LOGIX Property
Heston Industrial Mall, Church Road, TW5	2,648	LOGIX Property
Unit 3, Derby Road Industrial Estate, Derby Road, TW3	884	LOGIX Property
Hounslow Business Park, Unit 6, Hounslow Business Park TW3	1,966	Vokins
5 Maple Grove Business Centre, Lawrence Road, Hounslow TW4	4,934	Vokins
Unit 8, Great West Trading Estate, Brentford TW8	9,592	Vokins
Waldegrave Road, Teddington, TW11	2,210	Vokins
Pool Close, West Molesey, KT8	2,210	Cattaneo
Central Park Estate, West Molesey, KT8	2,746	Cattaneo
Lion Road, Twickenham TW1	6,800	Franklins
Brooklands Close, Sunbury On Thames TW16	3,595	Franklin
Unit 1 Trade City, Brooklands Close, Sunbury On Thames TW16	4,631	Churchod & Co
18 Southsea Road, Kingston Upon Thames KT1	10,850	Bonsors
Parkshot, Richmond TW9	736	Lewis & Co
Unit 3 Mill Farm Business Park, Millfield Road, TW4	1,095	De Souza
Unit 3 Kempton Gate, Oldfield Road, Hampton TW12	2620	De Souza
The Dolphin Estate, Windmill Road West, TW16	20,683	Avison Young
676 River Gardens, North Feltham Trading Estate, Feltham TW14	20,105	De Souza
Total available space	227417	

Figure 2 Office Availability

Address	(sq.ft.)	Agent
3 High Street, Hampton Hill, TW12 1NB	438	Snellers
Crest House, 102 - 104 Church Road, Teddington, TW11 8PY	4827	Snellers
39 High Street, Hampton Hill, TW12 1NB	272	Snellers
Ground, First & Second Floor, 13 Castle Mews, Hampton, TW12 2NN	11789	Snellers
40c Heath Road, Twickenham, TW1 4BZ	484	Snellers
Ground Floor, F3 Kingsway Business Park, Oldfield Road, Hampton, TW12 2HD	704	Snellers
1H Queens Road, Teddington, TW11	602	Snellers
Ground Floor, Cairns House, 10 Station Road, Teddington, TW11 9AA	4553	Snellers
First Floor, F3 Kingsway Business Park, Hampton, TW12 2HD	305	Snellers
5 Teddington Business Park, Station Road, Teddington, TW11 9BQ	828	Snellers
3 The Causeway, Teddington, TW11 0HA	1572	Snellers
159a High Street, Hampton Hill, TW12 1NL	1404	Snellers
7 Teddington Business Park, Station Road, Teddington, TW11 9BQ	875	Snellers
Epic House, 128 Fulwell Road, Fulwell, Teddington, TW11 0RQ	2744	Snellers
23 London Road, Twickenham, TW1 3SX	765	Snellers
Platts Eyot, Lower Sunbury Road, Hampton, TW12 2HF	3846	Snellers
300 - 302 Sandycombe Road, Kew, TW9 3NG	1422	Snellers
Queen Anne House, 15 Thames Street, Hampton, TW12 2EW	260	Snellers
Ground Floor Suite, Crest House, Teddington, TW11 8PY	850	Snellers
24 The Green, Twickenham, TW2 5AD	1089	Snellers
87 Railway Road, Teddington, TW11 8RZ	1335	Snellers
2 The Mews, Bridge Road, St. Margarets, TW1	630	Snellers
6 High Street, Teddington, TW11 8EW	1793	Snellers
7 Alpha Road, Teddington, TW11 0QG	1918	Snellers
Regal House, London Road, Twickenham, TW1 3QS	3000	Snellers
Unit G, Kingsway Business Park, Oldfield Road, St. Margarets, TW12 2HD	1,349	Snellers
17 Crane Mews, Gould Road, Twickenham, TW2 6RS	692	Snellers
46 High Street, Hampton Hill, TW12 1PD	1628	Snellers
Twining House, 43 - 57 London Road, Twickenham, TW1 3SZ	1641	Snellers
Allied House, Second floor, 29 - 39 London Road, Twickenham, TW1 3SZ	4384	Snellers
First Floor, 6 Park Road, Teddington, TW11 0AA	400	Snellers
First Floor, 4 Mount Mews, High Street, Hampton, TW12 2SH	168	Snellers
The Quadrant, Richmond, TW9 1DL	250	Martin Campbell
Richmond Bridge House, 419 Richmond Road, Richmond TW1 2EX	327	Martin Campbell
55 Kew Road, Richmond, TW9 2NQ	221	Martin Campbell
Oriel House, 26 The Quadrant, Richmond, TW9 1DL	9054	Martin Campbell
3rd Floor, 8 The Green, Richmond, TW9 1PL	389	Martin Campbell
Mortlake Business Centre, 20 Mortlake High Street, East Sheen, SW14 8JN	400	Martin Campbell
Suite D, Vestry House, 21 Paradise Road, Richmond, TW9 1SA	540	Martin Campbell
1st, 2nd, 3rd & 4th Floors, 20 Hill Rise, Richmond, TW10 6UA	3665	Martin Campbell
12 Times Court, Retreat Road, Richmond, TW9 1AF	644	Martin Campbell
Mortlake Business Centre, 20 Mortlake High Street, East Sheen, SW14 8JN	700	Martin Campbell
The Studio, 20 Barnes High Street, Barnes, SW13 9LW	1475	Martin Campbell
16A Crown Road, St Margarets, TW1 3EE	795	Martin Campbell

1 Printworks House, 27 Dunstable Road, Richmond, TW9 1UH	940	Martin Campbell
Greyhound House, Part 1st Floor, 23/24 George Street, Richmond TW9 1HY	1014	Martin Campbell
Knight's House, 10 Knight's Place, Twickenham, TW2 6QT	1054	Martin Campbell
2 Castle Yard, Richmond, TW10 6TF	1075	Martin Campbell
53a George Street, Richmond, TW9 1HJ	1165	Martin Campbell
Alexander House, 13-17 Princes Road, Richmond, TW10 6DQ	1214	Martin Campbell
Greyhound House, 3rd Floor, 23/24 George Street, TW9 1HY	1632	Martin Campbell
15 Little Green, 1st Floor, Richmond, TW9 1QH	1254	Martin Campbell
11 The Green, Richmond, TW9 1PX	1388	Martin Campbell
Milton House, 33a Milton Road, Hampton, TW12 2LL	1430	Martin Campbell
3rd Floor, Dome Buildings, The Quadrant, Richmond, TW9 1BP	1497	Martin Campbell
Third Floor, Peregrine House, 26-28 Paradise Road, Richmond, TW9 1SE	1499	Martin Campbell
21-23 Kew Road, Richmond, TW9 2NQ	1556	Martin Campbell
Vectra House, 36 Paradise Road, Richmond, TW9 1SE	5629	Martin Campbell
95 Sheen Road, Richmond, TW9 1YJ	1828	Martin Campbell
138 Holly Road, Twickenham, TW1 4HQ	1842	Martin Campbell
Water Lane Building, 83-84 George Street, Richmond TW9 1HE	6699	Martin Campbell
25-27 Kew Road, Richmond, TW9 2NQ	1925	Martin Campbell
Berkeley House, 85 Sheen Road, Richmond, TW9 1YJ	2122	Martin Campbell
Richmond Place - Ground Floor, 15 Petersham Road, TW10 6TP	2150	Martin Campbell
8 The Green, Richmond, TW9 1PL	2357	Martin Campbell
Dome Buildings, 1st Floor, The Quadrant, Richmond, TW9 1DT	2363	Martin Campbell
UK House, 1st Floor, 82-84 Heath Road, Twickenham, TW1 4BW	2400	Martin Campbell
Unit 2, Brewery Wharf, London Road, Twickenham, TW1 1AA	3047	Martin Campbell
Holbrooke Studio, 2 Holbrooke Place, Richmond, TW10 6UD	9839	Martin Campbell
Ashley House, 18 George Street, Richmond, TW9 1HY	10277	Martin Campbell
Ground Floor, Peregrine House, 26-28 Paradise Road, Richmond TW9 1SE	2276	Martin Campbell
Willoughby House, 439 Richmond Road, East Twickenham, TW1 2HA	10250	Martin Campbell
Midmoor House, 1st Floor, 1-2 Kew Road, Richmond TW9 2NQ	2,227	Martin Campbell
60/62 Broad Street, Teddington, TW11	2893	Michael Rogers
32 Hill Street, Richmond, TW9	1475	Michael Rogers
Onslow House, 9 The Green, Richmond, TW9	4,158	Michael Rogers
48 White Hart Lane, Barnes, SW13	1,332	Michael Rogers
14 Crane Mews, Gould Road, Twickenham	655	Michael Rogers
3 & 4 Phoenix Wharf, Eel Pie Island, Twickenham, TW1	1,714	Michael Rogers
Office to the rear of 114 Sheen Road, Richmond, TW9	753	Michael Rogers
The Gate House, Station Point, 121 Sandycombe Road, Richmond, TW9	697	Michael Rogers
2 Oriel Court, The Green Twickenham, TW1	1571	Michael Rogers
8 Waldegrave Road, Teddington, TW11	1190	Michael Rogers
6-8 Richmond Hill, Richmond, TW9	3,353	Michael Rogers
The Chapel, Orleans Road, Twickenham, TW1	2,073	Michael Rogers
Tideway Yard, 151 Mortlake High Street, Mortlake, SW13	833	Michael Rogers
The Poppy Factory, 20 Petersham Road, Richmond, TW9	3,346	Michael Rogers
The River Room, Phoenix Wharf, Eel Pie Island, Twickenham, TW1	865	Michael Rogers
Marcar House, 13 Parkshot, Richmond, TW9	906	Michael Rogers
Richmond Bridge House, 419 Richmond Road, East Twickenham, TW1	154	Michael Rogers
6 Printworks House, 27 Dunstable Road, Richmond, TW9	955	Michael Rogers
Clarence House, Dee Road, Richmond, TW9	418	Michael Rogers

Ground Floor 16-20 The Causeway, Teddington, TW11	4,037	Michael Rogers
Lichfield Court, Sheen Road, Richmond, TW9	779	Michael Rogers
Engine Shed Yard, 23 Waldegrave Road, Teddington	7,203	Michael Rogers
Foundry Mews, 58 High Street, Barnes, SW13	1,765	Michael Rogers
36 Bardolph Road, Richmond, TW9	491	Michael Rogers
Otterman House, Petersham Road, Richmond, TW9	5,838	Michael Rogers
12B Eton Street, Richmond, TW9	871	Michael Rogers
Dunstable Lodge, 28 Dunstable Road, Richmond, TW9	1,218	Michael Rogers
Syd's Quay, Eel Pie Island, Twickenham, TW1	3,400	Michael Rogers
102 Church Road, Barnes, SW13	1,580	Michael Rogers
34 Hill Street, Richmond, TW9	651	Michael Rogers
Eden Court, 149-151 Heath Road, Twickenham, TW1	645	Michael Rogers
76 Glenthams Road, Barnes, SW13	4,114	Michael Rogers
Halford Chambers, 1-3 Halford Road, Richmond, TW9	1,410	Michael Rogers
2nd Floor, 3 Water Lane, Richmond, TW9	5,748	Michael Rogers
1st Floor Holbrooke House, 34-48 Hill Rise, Richmond, TW9	877	Michael Rogers
Ground Floor, Holbrooke House, 34-38 Hill Rise, Richmond, TW9	2,917	Michael Rogers
Willoughby House, Richmond Road, Richmond	1,001	Michael Rogers
4 Eton Street, Richmond, TW9	974	Michael Rogers
1 Church Terrace, Richmond, TW9	527	Michael Rogers
341 Upper Richmond Road West, East Sheen, TW9	1,277	Michael Rogers
7 White Hart Lane, Barnes, SW13	242	Michael Rogers
7-9 Church Court, Richmond, TW9	1,730	Michael Rogers
The Hideaway, 11E Sandycombe Road, Kew, Richmond, TW9	3,800	Michael Rogers
1 Dee Road, Richmond, TW9	1,600	Michael Rogers
116 St. Margarets Road, TW1 2AA	1,072	Michael Rogers
Eton House, Paradise Road, Richmond, TW9 1SE	17,128	Michael Rogers
The Old Express Dairy, Orchard Road, Richmond, TW9	10,904	Michael Rogers
Shearwater House, The Green, Richmond, TW9 1PX	5,206	Michael Rogers
South Avenue Studios, Kew, TW9	2,096	Michael Rogers
439 Richmond Road, Richmond, TW9	7,083	Michael Rogers
5 Crane Mews, Gould Road, Twickenham, TW1	855	Michael Rogers
51a George Street, Richmond, TW9 1HJ	3,415	Michael Rogers
56 The Green, Twickenham, TW1	248	Michael Rogers
Heron House, Richmond Riverside, Richmond, TW9	3,133	Michael Rogers
Onslow Hall, Little Green, Richmond, TW9	562	Michael Rogers
St. George's House, Richmond, TW9 2LE	3,014	Michael Rogers
41 High Street, Barnes, SW13	749	Michael Rogers
6 Oriel Court, The Green, Twickenham, TW1	1,198	Michael Rogers
7A Petersham Road, Richmond, TW9	1,152	Michael Rogers
56 Glenthams Road, Barnes, SW13	4,541	Michael Rogers
18 Water Lane, Richmond, TW9	2,560	Michael Rogers
Ironmongers Mews, 74 Church Road, Barnes, SW13	290	Michael Rogers
London House, 42 Upper Richmond Road West, East Sheen, TW9	385	Michael Rogers
Twickenham Road, 159 Heath Road, Twickenham, TW1	3,240	Michael Rogers
80 Crown Road, St Margarets, TW2	1,250	Michael Rogers
4 Duke Street, Richmond TW9	1,626	Michael Rogers
Premier House, 52 London Road, Twickenham, TW1	11,163	Michael Rogers
78 The Green, Twickenham, TW2	160	Milestone

High Street, Hampton Hill TW12	579	Milestone
High Street, Barnes, SW13	700	Milestone
High Street, Hampton TW12	925	Milestone
Castle Mews, Hampton TW12	1,518	Milestone
Castle Mews, Hampton TW12	381	Milestone
Parkshot House, 5, Kew Road, Richmond TW9	6000	Vokins
Oriel House, 26 The Quadrant, Richmond TW9	1700	Vokins
Parkway House, Sheen Lane, Sheen SW14	2,300	F Meadowcroft
Lower Richmond Road Mortlake, London SW14	3500	B&K Estates
Colne Road, Twickenham TW1	607	Franklins
Suite C, Oldfield Road, Hampton TW12	466	Bonsors
Waldegrave Road, Teddington, London TW11	1376	Landswood
Old Lodge Place, St Margarets, Twickenham TW1	964	Vesper Group
Harlequin House, 7 High Street, Teddington TW11	2,000	Lambourn
80 George Street, Richmond, Richmond TW9	42050	Hanover Green
Kew Road, Kew, Richmond TW9	33,586	Hanover Green
Avalon House, 72 Mortlake Road, Richmond, TW9	3,319	Knight Frank
Parkshot House, 5 Kew Road, Richmond, TW9 2PR	27,446	Regus
Regal House, 70 London Road, Twickenham, TW1 3QS	14284	Regus
Sovereign Gate, 18-20 Kew Road, Richmond, TW9 2NA	24,377	Bray Fox Smith
Ambassador House, Paradise Road, Richmond,, TW9 1SQ	23,288	Bray Fox Smith
Onslow Hall, Little Green, Richmond, TW9 1QS	8,529	Bray Fox Smith
Shearwater House, 21 The Green, Richmond, TW9 1PX	2824	Bray Fox Smith
Frameworks, 2 Sheen Road, Richmond, TW9 1AE	18,953	Bray Fox Smith
Frameworks, 2 Sheen Road, Richmond, TW9 1AE	8,524	Savills
Rosedale Studios, Rosedale Road, Richmond, TW9 2SX	3262	Savills
63 Kew Road, Richmond, TW9 2NQ	17356	Savills
Richmond Oriel House 26 The Quadrant, Richmond	16,552	Office Freedom
46 Lower Richmond Road, Richmond, TW9	1000	Office Freedom
20 Mortlake High Street, SW13	12,000	Office Freedom
Causeway House, 13 The Causeway, Teddington, TW11 0JR	10,628	Spaces
Upper Richmond Road West, London, SW14	1150	Medway and Law
1, Waldegrave Road, Teddington, Middlesex, TW11 8LZ	1000	Easy Offices
1, Waldegrave Road, Teddington, Middlesex, TW11 8LZ	500	Easy Offices
419, Richmond Road, TW1 2EX	500	Easy Offices
Amyand Park Road, Twickenham TW1	522	Century 21
Livingston House 2 Queens Road, Teddington TW11	23795	C and W
Oldfield Road, Hampton, TW12	4365	Cattaneo
Rivermead, 6 Lower Teddington Road, Hampton Wick KT1	4454	Cattaneo
Teddington House, 67 Broad Street, Teddington TW11	8270	Hurst Warne
Evergreen Studios, Little Green, Richmond, TW9 1QS	17072	Stirling Shaw
Independence House, 84 Lower Mortlake Road, Richmond, TW9 2HS	15467	Stirling Shaw
Suite 1-2, Greyfriars Studios, The Quadrant, Richmond,, TW9 1DJ	8713	Stirling Shaw
Engine Shed Yard, 23 Waldegrave Road, Teddington, TW11 8LA	5000	Stirling Shaw
1-9 Sandycombe Road, Kew, TW9 2EP	5181	Stirling Shaw
Suite 1st Floor, 1st Floor, Dome Buildings The Quadrant, TW9 1BP	2350	Stirling Shaw
Oriel House, 26 The Quadrant, Richmond, TW9 1DL	2349	Stirling Shaw
179 Upper Richmond Road West, East Sheen, SW14 8DU	2124	Stirling Shaw

Shearwater House, 21 The Green, Richmond, TW9 1PX	2010	Stirling Shaw
16 The Quadrant, Richmond, TW9 1BP	1979	Stirling Shaw
Shop Ground Floor, 15 London Road, Twickenham, TW1 3ST	1700	Stirling Shaw
52-54 Heath Road, Twickenham, TW1 4BX	1383	Stirling Shaw
9-11 The Quadrant, Richmond, TW9 1BP	1358	Stirling Shaw
3 Friars Lane, Richmond, TW9 1NL	960	Stirling Shaw
4 Friars Lane, Richmond, TW9 1NL	930	Stirling Shaw
369 Upper Richmond Road West, East Sheen, SW4 7NX	705	Stirling Shaw
17 Church Street, Twickenham, TW1 3NJ	667	Stirling Shaw
Unit 1 of 3, Hampton Water Works, Upper Sunbury Road, Hampton, TW12 2DS	516	Stirling Shaw
6 Forge Lane, Petersham, TW10 7BF	437	Stirling Shaw
Sandycombe Road, Kew, TW9	554	Copping Joyce
Sandycombe Road, Kew, TW9	679	Copping Joyce
5 and 7 Castle Busines Park, Hampton TW12	3636	Farino Cole
Hampton Hill Busiess Park , Wellington Road Hamton TW12	5303	Farino Cole
Wellington House, Wellington Road Hampton, TW12	5127	Farino Cole
Total available space	749,792	

Figure 3 build costs analysis

UK Commercial - July 2021



MARKET
IN
MINUTES
Savills Research

Savills Programme and Cost Sentiment Survey



savills

Perfect storm for costs and timescales

Since the last update to our index wider macro economic and global issues have conspired to place almost unprecedented pressure on the availability of key construction materials.

A much improved global economic outlook has meant that construction and infrastructure projects have rebounded quicker than forecast. Having not anticipated this up-tick in demand many suppliers have been working at a reduced output, having potentially furloughed workers during the lockdown periods over the last 18 months. When we then add in other externalities such as new policy governing international trade, the fact that many shipping lines are still running at reduced capacity and congestion at our ports it is clear a perfect storm has been created where demand can not be met by existing supply.

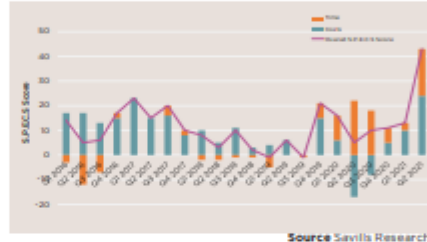
Many sectors of the occupational market, such as logistics and life sciences are seeing record level of occupational demand and the residential sector, which we examine in more detail on the second page of this report, is keen to deliver more units to the market as demand remains high.

We expect materials shortages to remain in place for at least six months but for some sectors, such as logistics, where steel is

a core material the delays may be up to 12 months. Developers should therefore expect costs to increase by up to 5% in 2021 and should factor in longer build and fit-out programmes.

This is reflected in our S.P.E.C.S index for Q2 2021 with a score of 43, meaning that in all markets we cover our sector specialists are seeing upward pressure on build costs and project timescales. It is likely that we will continue to see elevated S.P.E.C.S scores for at least 18 months until supply and demand reach equilibrium.

S.P.E.C.S Q2 2021



Source Savills Research

Q2 2021 S.P.E.C.S Indicators

	New build and refurbishment costs	New build and refurbishment timescales*	Occupier fit-out costs	Occupier fit-out timescales*
Offices - Central London	↑	↑	↑	↑
Offices - Regional	↑	↑	↑	↔
Warehousing <100,000 sq ft	↑	↑	↑	↑
Warehousing 100,000 - 500,000 sq ft	↑	↑	↑	↑
Warehousing 500,000+ sq ft	↑	↑	↑	↑
Central London prime residential	↑	↑	↑	↑
Central London mid-market residential	↑	↑	↑	↑
Regional mid-market residential	↑	↑	↑	↑
Foodstores	↑	↑	↑	↔
High street retail	↑	↑	↑	↔
Out of town retail	↑	↑	↑	↔
Shopping centre	↑	↑	↑	↔

Source Savills Research Note *Time taken from project sign off to commencement including procurement and delivery of building components

The combined impact of surging demand and a heavily constrained supply chain has taken many by surprise and it is inevitable that we will see increases in build costs and project timescales. We should also prepare for issues regarding labour availability for certain types of contractor, which may further impede projects once materials availability issues are resolved. However, steps can be taken to mitigate the current situation by sourcing alternative materials or by changing the build programme to suit the availability of materials or labour. Simon Collett, Head of Professional Services

METHODOLOGY & APPROACH

Savills Building and Project Consultancy sector experts track build cost and programme timescales sentiment across 48 separate markets and sectors. A high S.P.E.C.S score would mean that most sectors are experiencing upward cost and timescale pressure whereas a highly negative score would suggest that most markets and sectors are experiencing downward pressure. A score around zero suggest that build costs and programme timescales are largely static.

Appendix - Savills Outlook

Savills are the leading provider of up to the minute market data and insights on commercial property. We would draw attention to their most recent analysis on the condition of the commercial property market in the UK:

Offices are the single largest segment of the commercial property investment market, typically accounting for nearly 40% of all investment activity. However, the fact that the Brexit negotiations around services are yet to be finalised, and that there has been a less than dramatic pace of return to the office by UK workers, does start to raise questions about whether this sector will retain its dominant position in the future.

Brexit remains a risk to many parts of the UK commercial property market, but London offices in particular remain heavily exposed to any reduction in the UK's attractiveness as a financial hub or European headquarters destination.

Agile working is also definitely here to stay, but we cannot deny that it will have a dampening effect on the growth in demand for office space. While we expect that current typical 25% occupancy of offices will rise in 2022, we do not expect that it will return to pre-Covid-19 levels. To a degree, this fall in need will be compensated for by rising headcount and space per capita, but we do believe that less desirable offices in less accessible locations will become even harder to let.

London industrial reflects continued demand for last mile delivery and the rise and rise of internet retailing that appears to have become more entrenched as a result of the pandemic. With finite stock available to meet this need in the capital, prospects for continued rental growth underpin the market. That comes at a time when the fundamental drivers of demand for other light-industrial uses are in a state of flux.

While we do not expect that flexible working will (or indeed should) disappear post-Covid, we do believe that the negative impacts of this change on gross floorspace needs will, to a degree, be balanced out by both employment growth and a reduction in occupational densities as companies reconfigure their office space to deliver a high performing working environment.

CNBC TECH REPORT

Rapid grocery delivery boom comes to a grinding halt as Getir, Gorillas slash jobs

PUBLISHED THU, MAY 26 2022

- Turkish grocery delivery firm Getir told staff Wednesday that it plans to reduce its global headcount by 14%.
- Berlin-based grocery start-up Gorillas said it would let go about 300 of its employees, citing a need to reach profitability.
- The layoffs highlight a broader shift in investor sentiment toward high-growth tech companies.

Fears of an impending recession are forcing rapid grocery delivery companies to slam the brakes on growth.

This week, two of the largest instant grocery apps, Getir and Gorillas, announced decisions to lay off hundreds of employees. Another firm, Zapp, said it is proposing redundancies in its U.K. team.

Getir told staff Wednesday that it plans to reduce its global headcount by 14%. The Turkish company employs more than 6,000 people worldwide, according to LinkedIn.

“With a heavy heart, we today shared with our team the saddening and difficult decision to reduce the size of our global organization,” the firm said in an emailed statement.

“We will also decrease spending on marketing investments, promotions, and expansion.”

Gorillas on Tuesday said it was making the “extremely hard decision” to let go about 300 of its employees, citing the need to reach profitability in the long run.

Gorillas has been struggling to raise additional financing. The company wasn’t immediately available for comment when contacted by CNBC.

London-based grocery start-up Zapp on Wednesday confirmed that it is considering making layoffs of up to 10% of staff. A final decision hasn’t yet been made as a consultation is underway with the firm’s U.K. employees.

“The current macroeconomic climate has become incredibly challenging, with very little visibility of when things will improve. This uncertainty is seeing investors reduce their risk appetite considerably, favouring profitability over growth,” a spokesperson for the company said.

“As a venture-backed scale-up that will need to fundraise again in the future, we therefore need to adjust our business plan to reduce costs and accelerate our path to profitability.”

Companies like Getir and Gorillas experienced seismic growth during the coronavirus pandemic. Operating from small warehouses known as “dark stores,” such services promise to deliver items to shoppers’ doors in as little as 10 minutes.

Instant grocery delivery services have long faced questions over the viability of their business models, which tend to sell essential goods at a premium to supermarkets while relying on offering generous discounts to lure in new users. Now, with Covid restrictions largely disappearing around the world, and prices on the rise, the future is becoming uncertain for the space.

“The problem with players like Getir and Gorillas is that they’re gimmick companies,” he added, referring to the platforms’ promise of 10-minute delivery times.