

# LONDON'S APPEAL

London's success as a global city has led to population and employment growth and a broad based economy. This has produced increased demand for office space from a wide range of established and new occupiers.

DERWENT LONDON BENEFITS AS A MAJOR PROVIDER OF DESIGN-LED VALUE FOR MONEY OFFICE SPACE, EITHER FROM MANAGING ITS EXISTING PORTFOLIO, THE REGENERATION OF TIRED SPACES, OR THE DEVELOPMENT OF EMERGING BUSINESS LOCATIONS.

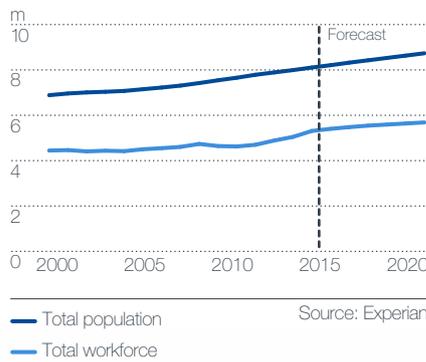
## London's population and workforce

London's population totals around 8.6m people and is ethnically diverse. It is expected to grow to 10m by 2030.

The workforce totalled 5.7m in 2015 which is 0.7m more jobs than at the previous 2008 peak.

It is a leading global centre for talent and high skills employment. 1.5m Londoners work in knowledge-based sectors, 47% of the combined total of the five top European cities.<sup>1</sup>

### Number of people

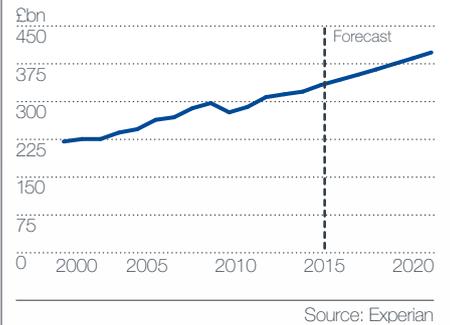


## London's economy

London's gross value added (GVA) increased 19.4% in the five years to 2014, and is expected to continue to grow over the following three years.

It is the pre-eminent business capital in Europe benefiting from the wide understanding of the English language and its legal system. It also benefits from its time zone and is home to 40% of the European headquarters of the world's top companies.<sup>1</sup> Oxford Economics estimates 200,000 people are employed in London's tech sector and expect this to grow 22% by 2025.

### GVA



**Education and cultural attractions**

London has some of the best higher education facilities with 18 universities ranked among the best in the world. Imperial College and University College London rank joint second and fifth respectively.<sup>2</sup>

London boasts numerous attractions: four UNESCO world heritage sites, museums, theatres, opera houses and world-class retail. It was ranked the world's most popular tourist destination in 2015.<sup>3</sup> 18.8m visitors are expected to have visited and 700,000 people are employed in London's tourism industry.

<sup>1</sup> Deloitte 'London crowned business capital of Europe' 2014.

<sup>2</sup> QS World University Rankings 2015.

<sup>3</sup> Mastercard 2015.

“London is one of the world’s leading international financial centres and home to a large pool of highly skilled international talent.”

HSBC  
15 FEBRUARY 2016

**Major office market**

London's office market totals 224m sq ft. The West End and the City represent 72% of the total. Around 75% of the West End office stock lies in conservation areas which limits development opportunities. This compares to c.33% in the City.

The City and Docklands markets hold the highest concentration of office towers and financial occupiers.

Our market share is 2.2%.

**Central London office stock**



Source: CBRE

**Sources of office take-up**

Professional and business services have long represented a high proportion of take-up. More recently creative industries' take-up has matched that of financial services.

The table below shows the sources of take-up in the last five years.

	%
Creative Industries	24
Banking and Finance	20
Business Services	18
Professional	12
Consumer Services and Leisure	9
Public Sector/Regulatory Bodies	7
Insurance	5
Manufacturing Industrial and Energy	5

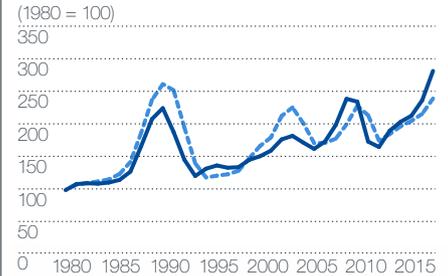
Source: CBRE

**Central London office cyclicity**

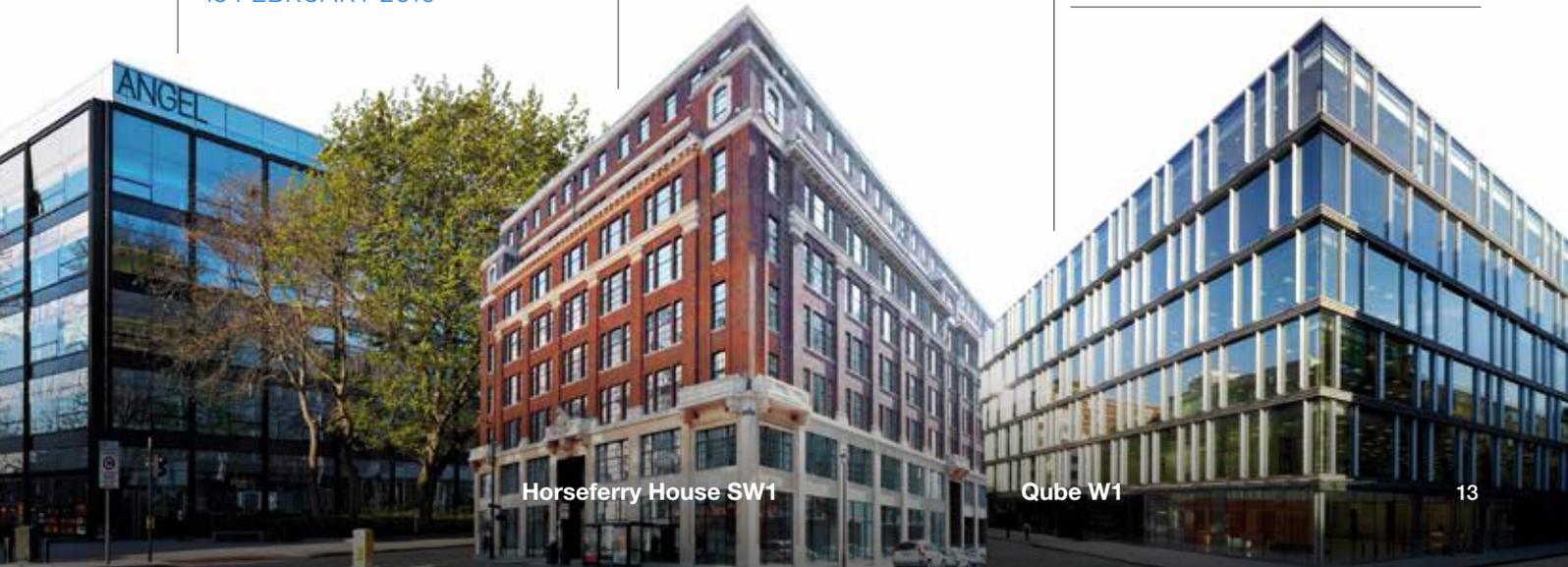
The London office market has proven to be cyclical over time, and is influenced by a number of external and internal factors. 2015 was the sixth year of consecutive growth. More details of our views can be found under 'Our Market'.

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Source: MSCI IPD



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