

OUR VIEW ON LONDON OFFICES

London's economic output is more than double the rest of the UK

The latest ONS report analysing the economic output of UK's regions has revealed that London generates more than double the average GVA per head than the average across the rest of the UK.

London's per capita GVA is estimated at £43,629, whilst the average for the rest of the UK stands at £21,638. The second highest economic output per capita was to be found in the South East (£27,847), whilst the East of England was third (£23,970).

London remains Tech Capital of Europe

London has remained the leading hub for tech investment in 2016, attracting more investment than any other European city.

Research by the Mayor's official promotional company, London & Partners found that more than £6.7bn was invested into the UK's tech firms by private equity and venture capitalists last year, with London attracting more than one third of the total.

Europe's largest Bio medical Research centre opens at St Pancras

The Francis Crick Institute's building behind St Pancras station and the British Library opened in September 2016.

The building is Europe's largest biomedical laboratory, consisting of 1m sq ft of laboratory space, spread over eight floors. The laboratories will provide accommodation for 1,250 scientists and have an annual budget of £130m.

Residential conversions slow as prices falter

From a planning perspective, there has been a dramatic slowing in residential scheme applications in the West End since 2015 as focus has shifted towards commercially led schemes.

EGi's research indicates that 688 private residential units were completed in Westminster in 2015, this was exceeded in 2016, but the levels of units under construction has slowed.

The slowing has been market driven rather than due to planning policy and comes at a time when prime West End rents have fallen back. Westminster have begun to promote office development, restricting the loss to residential.

Bidwells London planning team are currently advising on 150,000sqft of new commercial space in the West End.

Contact Details

London
Andrew Groves
020 7297 6274
andrew.groves@bidwells.co.uk
www.bidwells.co.uk

THE FACTS

Prime West End rents fall for first time in seven years.

Availability increases as occupiers release second hand space in favour grade A stock.

£120 per sq ft

Prime West End rental values

Central London take up hits 12.2m sq ft in 2016, compared to 14.5m in the previous year.

West End records take up of 3.6m sq ft in 2016, 18% below previous year.

10.1% pa

Growth in West End secondary rents over past five years

West End Office

Prime rents in Mayfair stall, whilst other locations generally hold firm

London prime rents

Location	Prime headline rent (£psf Dec 2016)	
Bankside	65.00	↔
City	75.00	↔
Clerkenwell	67.50	▲
Docklands	47.50	↔
Hammersmith	52.50	▼
King's Cross	77.50	▲
Midtown	75.00	↔
Paddington	65.00	↔
Shoreditch	65.00	▲
Stratford	40.00	↔
Victoria	80.00	▲
West End	120.00	▼

4.2m sq ft

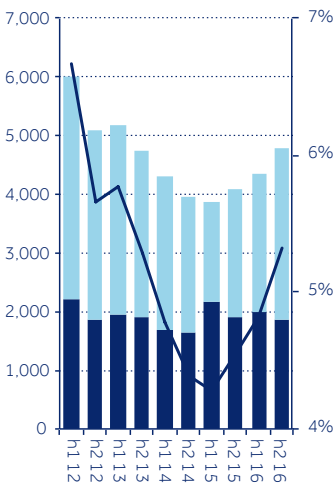
Average take up per annum in West End market since 2010

1.8m sq ft

Lowest level of grade A supply in West End for two years

Office supply (Dec 2016)

■ Grade A
■ 2nd hand good
● Available rate (rhs)

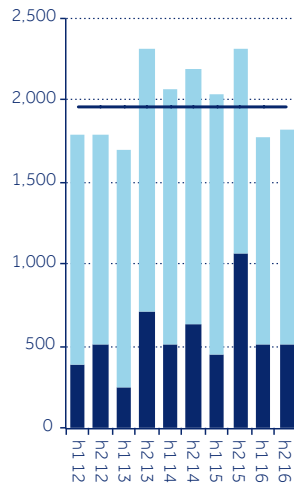


Availability 000's sq ft
Availability rate

4.8m ▲
5% ▲

Office demand (Dec 2016)

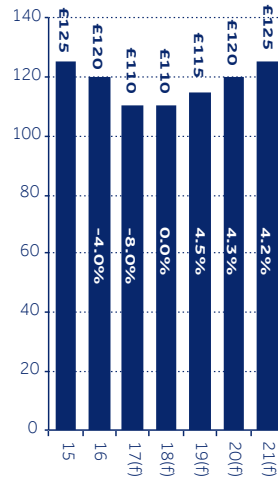
Take up
■ Grade A
■ 2nd hand good
● 10 yr average



(h2 2016)
Take up 000's sq ft

1.8m ↔

Office rents (Dec 2016)



Prime Epsf £120.00 ▼
Secondary good Epsf £85.00 ▼
Secondary poor Epsf £65.00 ▼
Annualised growth rate 0.8% p.a