

REAL ESTATE INSIGHTS



Quarter Three

October 2024 - December 2024



In this edition:

Deep Dive: The Evening and Night-time Economy

FOREWORD

London's West End has long been the heartbeat of the UK's Evening and Night-Time Economy (ENTE), a vital driver of cultural and economic success. In 2023 alone, the ENTE contributed £43.3 billion in GVA and supported over 2 million jobs. Westminster - home to the country's largest ENTE - generated an estimated £1 billion annually in the Heart of London (HOL) area.

As consumer habits evolve, there is growing demand for nightlife that blends entertainment, culture, and music - particularly among younger audiences seeking alternatives to alcohol-focused venues. Social media also continues to shape expectations and trends.

However, the sector faces increasing pressures. Between March 2020 and December 2023, London lost more than 1,600 ENTE businesses, impacted by rising costs, regulatory constraints, crime, and transport challenges. Tackling these barriers remains a key priority for Heart of London Business Alliance (HOLBA), as we advocate for policies that support long-term resilience and sustainable growth.

Collaboration is essential. We welcome the Mayor's Nightlife Taskforce and Westminster City Council's After Dark Strategy, which closely align with HOLBA's 2023 Evening and Night-Time Economy Strategy - promoting safety, economic opportunity, and an enriched visitor experience. We also welcome the Government's recent announcement of a pilot scheme to improve

the application of licensing laws and strengthen business competitiveness, giving consumers more choice to enjoy the best of British hospitality.

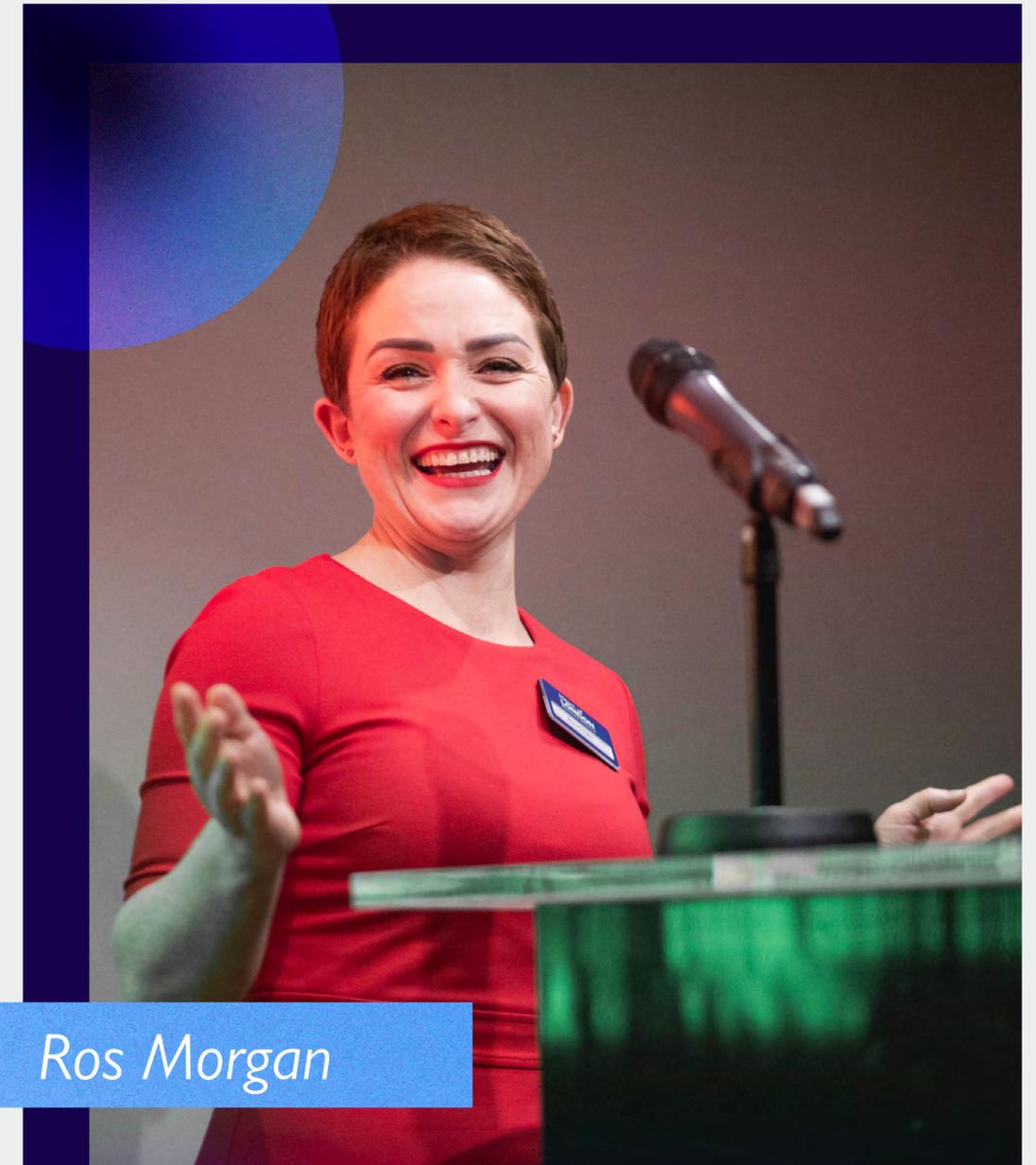
Beyond the ENTE, the Heart of London's commercial real estate market remains resilient. Office availability is steady, vacancy rates have tightened to 1.5%, and the hotel sector continues to perform well, supported by significant developments. Despite a national decline in footfall, the HOL area recorded a 2% increase last quarter, driven by a dynamic programme of seasonal events such as the St Martin's Lane lights and Chila Burman's Art After Dark.

With strategic action and continued investment, we can ensure the West End retains its place as a world-class cultural and entertainment destination.

Warm Regards,



Ros Morgan
Chief Executive
Heart of London Business Alliance



Ros Morgan

Chief Executive

04

Introduction

06

Deep Dive

15

The Office
Market

18

The Commercial
Market

22

The Hotel
Market

24

Investments

25

Insights

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**Deep Dive into The Evening and
Night-time Economy**

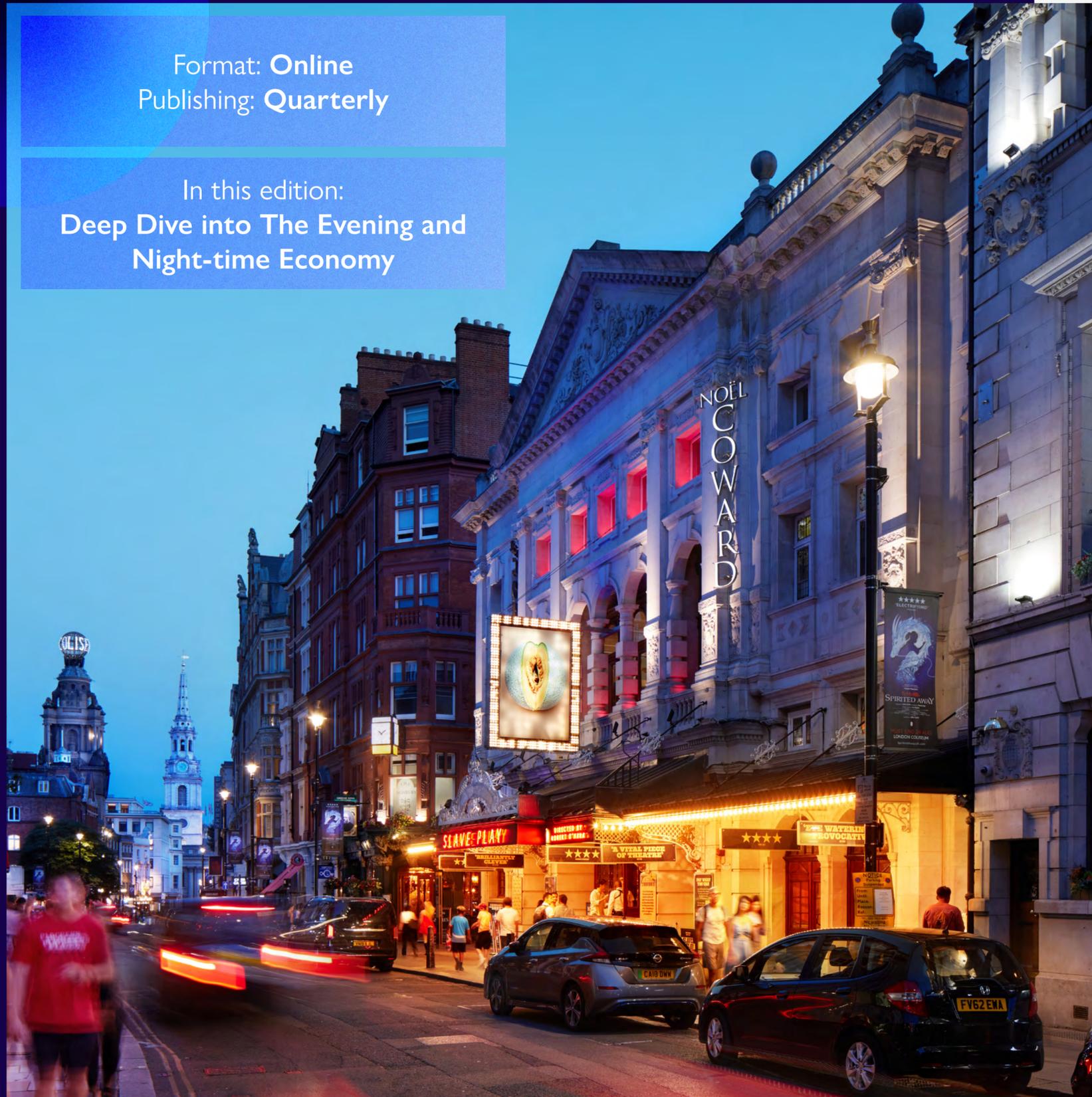


Image: St Martin's Lane, HOLBA.

INTRODUCTION

This report provides a detailed look at the economic performance of real estate in the Heart of London area. It is designed for everyone who has an interest or a stake in this space (current or future).

Each quarter, the report uses local data, intelligence and media monitoring to analyse consumer, sector and industry performance. It supports this with insights from leading experts.

This quarter's report includes a deep dive into the Evening and Night-time Economy, exploring the contribution it is making across the UK and London, showcasing key contributors within the Heart of London area and identifying the opportunities it presents for the future. It also collates information, news, reports, consultations and policy changes that apply to the area or industry.

STUDY AREA

The Heart of London (HOL) area in the City of Westminster covers almost 37 hectares of prime central London. Forming a major part of London’s West End, from Green Park in the west, to the borders of Covent Garden in the east, the HOL area is one of the most culturally rich in the world.

Within this report, the HOL area is classified into six districts: St Martin’s, Leicester Square, Piccadilly Circus, Haymarket, Piccadilly and Jermyn Street.

St Martin’s Lane lies between Garrick Street and Charing Cross Road, bordering Covent Garden and Leicester Square. It connects major visitor spots like Trafalgar Square, The National Gallery, The National Portrait Gallery, Shaftesbury Avenue, and Covent Garden. It is one of the capital’s most well-known streets and is home to the English National Opera, renowned theatres, live entertainment and music venues, bars, cafés, independent art and antique dealers, and offices.

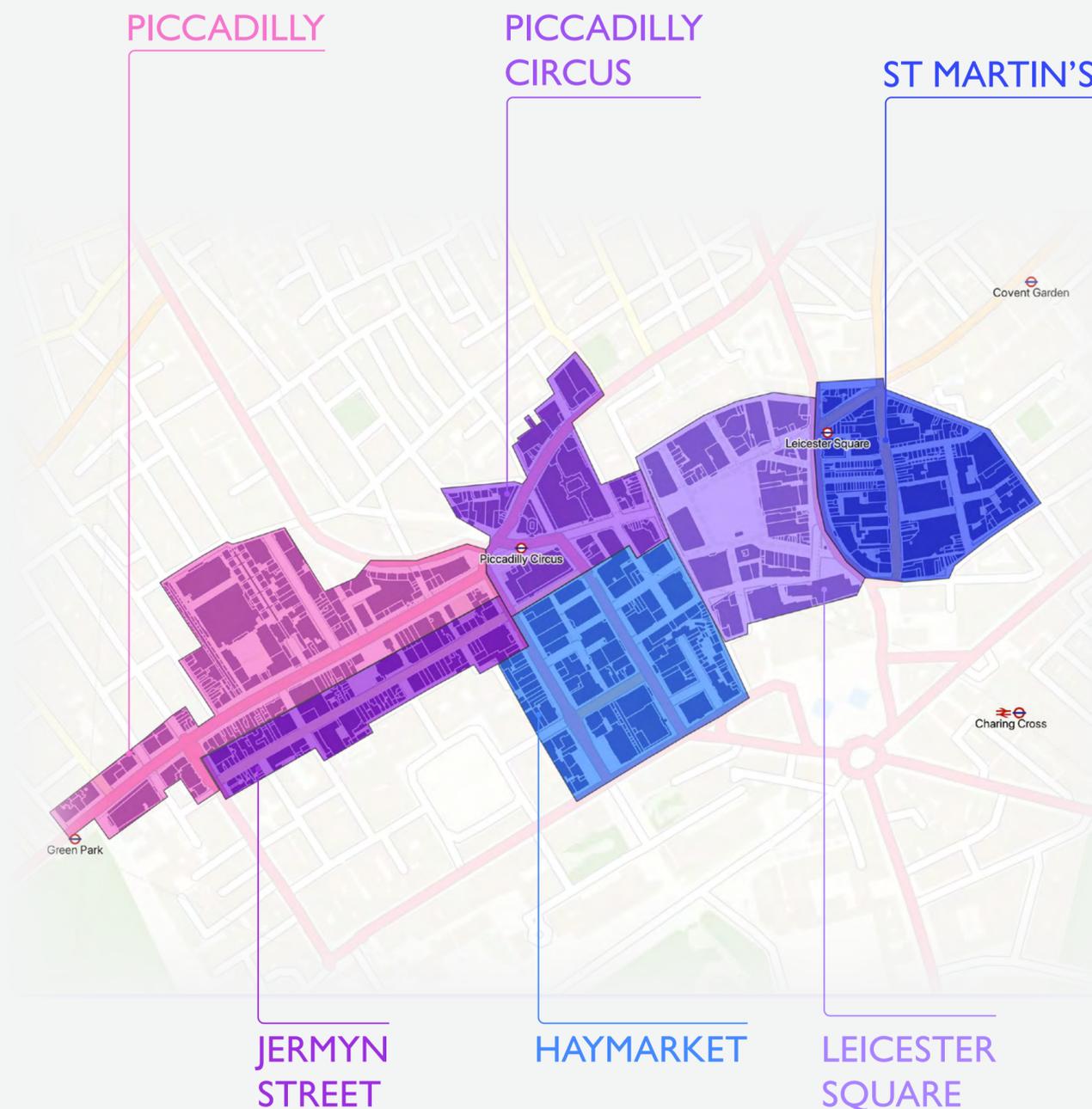
Leicester Square is the epicentre of London’s film and entertainment industry. Located next to St Martin’s, it is one of the most famous tourist destinations in London with a wide range of retail and leisure offers. Leicester Square has numerous cinemas, casinos, restaurants, and bars. Located next to Chinatown and Leicester Square, Piccadilly Circus is one of the most iconic areas in London, known for its famous Piccadilly lights,

neon signs and the Anteros statue. As a place for the nation to celebrate, commemorate and commiserate, it is connected to Piccadilly, Regent Street, Shaftesbury Avenue and St James’s.

The Haymarket area is situated between Jermyn Street and Pall Mall East, with Leicester Square to the east and Piccadilly Circus to the north. Haymarket houses the Theatre Royal, His Majesty’s Theatre, New Zealand House, a cinema complex, cafés, and restaurants.

Piccadilly lies between Piccadilly Circus and Stratton Street, near Green Park Underground station. It is viewed as one of London’s primary shopping destinations, hosting world-renowned fashion brands. Fortnum & Mason, The Royal Academy of Arts and luxury hotels like The Ritz, The Dilly, and Hotel Mayfair are situated on the street, accompanied by offices, cafés, and other retail establishments.

Lastly, Jermyn Street is located between St James’s Street and Lower Regent Street. Famous for its high-quality men’s tailors, many of these stores have operated for decades and have earned a reputation for their exceptional quality and craftsmanship.



DEEP DIVE

THE EVENING AND NIGHT-TIME ECONOMY



The Cornucopia, Claire Luxton,
Art After Dark

Friday Lates, The National Gallery



Waiting for Godot, Theatre Royal Haymarket



What is the Evening and Night-Time Economy?

The Evening and Night-Time Economy (ENTE) refers to economic, social, and cultural activities occurring between 6pm and 6am, extending beyond traditional working hours.* These activities include dining out, attending performances, shopping, visiting art galleries and enjoying nightlife. As one of the UK’s most significant cultural and economic industries, The ENTE is a critical driver of urban vibrancy, shaping a city’s appeal and economic resilience.

Given its growing importance, managing the ENTE has become a strategic focus for cities worldwide. More than 60 cities – including London, Amsterdam, and New York – have appointed Night Mayors or created specialised departments that oversee the night-time ecosystem. Nightlife is increasingly becoming a policy issue internationally, as cities around the world grapple with balancing its economic, cultural, and social benefits against concerns such as public safety, noise pollution, and urban sustainability.

In this context, the ENTE has emerged as an increasingly critical topic of discussion in the UK, requiring immediate attention and strategic action to ensure its survival and growth. The GLA’s Economy, Culture and Skills Committee is actively investigating the issues faced by London’s late-night venues and its workers, delving into the compounded challenges posed by rising inflation

and the ongoing cost-of-living crisis. The Mayor of London has also recently launched a Nightlife Task-Force of 11 industry experts to examine and address the issues facing the industry.

At the same time, Westminster City Council (WCC) is spearheading its Westminster After Dark initiative, aiming to shape an inclusive and dynamic vision for the borough’s nightlife. HOLBA has contributed to the consultation process for this report. **HOLBA’s Evening and Night-time Economy Strategy** - referenced in WCC’s Westminster After Dark Strategy - sets out an ambitious, integrated, and deliverable plan for this iconic part of the West End between the hours of 6pm and 6am.

On a national level, the Night Time Industries Association (NTIA) works to foster an inclusive and informed public discussion about the ENTE, highlighting the significant positive impacts of this vibrant sector, as well as advocating for change to support it.

These efforts underscore the local urgency of understanding and addressing the challenges faced by this vital sector. Together, these investigations aim to create policies and strategies that support the resilience and growth of London’s night-time economy, ensuring it remains a vibrant and essential part of the country’s cultural and economic identity.

Sources: NTIA, World Economic Forum.

*ENTE does not have a fixed definition beyond the time-frame (6pm-6am). This definition has previously been used by HOLBA in The Evening and Night-time Economy Strategy, Vision and Action Plan, and by the GLA.



ENTE sustained **2 million jobs** in 2022.

ENTE generated **£43.3bn GVA** in 2023.

£153.9bn was spent in the UK night-time economy in 2024.

£42.7bn was spent in the UK night-time cultural economy in 2024.**

**UK night-time cultural economy is the part of the ENTE that are driven by cultural, artistic and event activity, and where alcohol drinks, food etc., are secondary.

What is the impact of the sector?

National picture

The ENTE is a key national economic driver, generating £43.3bn GVA for the UK in 2023 and providing 2.11 million jobs. Recent figures show that consumer spend in the ENTE grew 2.5% year-on-year to 2024, but this has slowed when compared to the previous period. The NTIA reports that in 2023, UK GVA stagnated in all of the subsectors of the leisure and night-time economy. This can broadly be attributed to the increase in operational and food and drink costs, despite increased consumer spending.

The growth of the sector, which was forecasted prior to 2020, did not materialise and it is estimated that the UK's ENTE has suffered an estimated £95bn loss due to the pandemic and inflation, affecting investments in customer experiences, marketing, programming, and sector resilience.

Local picture

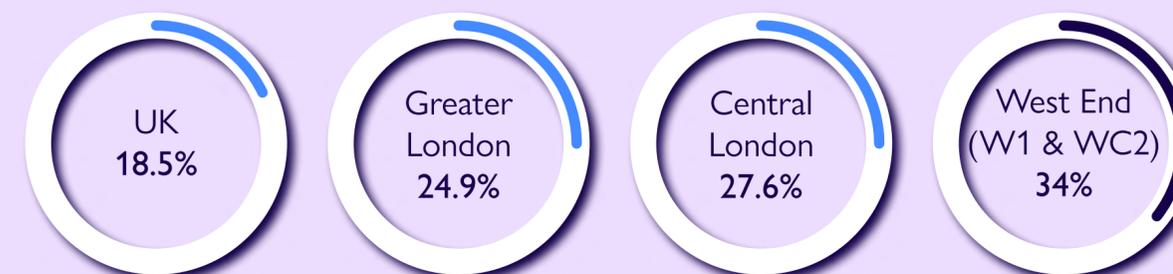
London truly comes alive in the evening and night-time, with the majority of Londoners remaining active after 6pm. It is estimated that there are 3-4 million visitors out and about in London between 6pm and 9pm on a typical evening, with over 2 million out from 9pm to 12am and 1 million staying out until 3am. According to ONS analysis of consumer card spending, in June 2024, London consistently had the highest proportion of evening and night-time spending compared to any other

region in the UK. Evening and night-time spending accounted for 25% of London's daily spending – 6.5 percentage points above the national average.

In the HOL area this evening and night-time spending is concentrated in the culture and leisure sectors, which accounted for half of the area's night-time GVA, which was estimated at a total of £1bn in 2022.

Westminster boasts the UK's largest night-time economy - with a GVA of £23.7 billion, larger than that of Edinburgh, Manchester and Birmingham's night-time economies combined. Within this, the West End has been identified as the busiest destination in London between 6pm and 6am by a significant margin; drawing over 140,000 visitors on a typical Thursday to Saturday night just between 6pm and midnight. The Westminster After Dark Strategy states that the city's licensed venues are similarly concentrated, with 2,000 of 4,400 city-wide licensed venues in the West End, Marylebone and St. James wards alone. ONS data shows that the HOL area and surrounding areas make up some of the most concentrated areas of evening and night spend in the UK, with the London Borough of Westminster hosting the highest share (6.8%) of London's night workers. Furthermore, 2024 HUQ data reveals that all HOL districts attracted a higher proportion of ENT footfall than the Core West End average, underscoring their individual significance as key ENTE destinations.

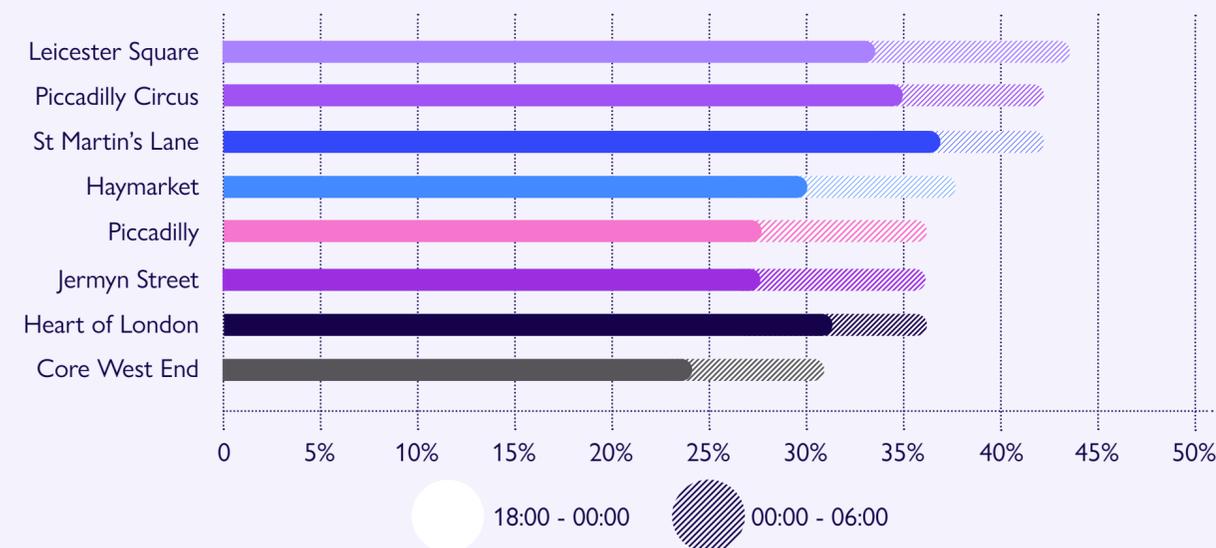
Proportion (%) of consumer spending taking place between 6pm and 6am*



Average footfall of night-time visitor hotspots, Thursday to Saturday, 6pm-12am*



Proportion of ENT footfall by HOL District (Q3 2024-25)



Sources: NTIA, ONS, GLA, Arup, Westminster City Council.
*Recorded between April - June 2024.

Current Trends in the ENTE

Evolving concepts of a night out

The ENTE is undergoing a significant transformation as consumer tastes change and expectations rise. Once defined by a straightforward dual offering of traditional entertainment and alcohol-led clubbing, today's night-time landscape is far more diverse, driven by changing social norms, technological advancements, and shifting entertainment preferences towards curated experiences. Today's concept of a 'night out' has evolved to include daytime parties and cultural experiences. The focus has also shifted from pure nightlife to a more rounded offering incorporating entertainment, art, music, and social engagement.



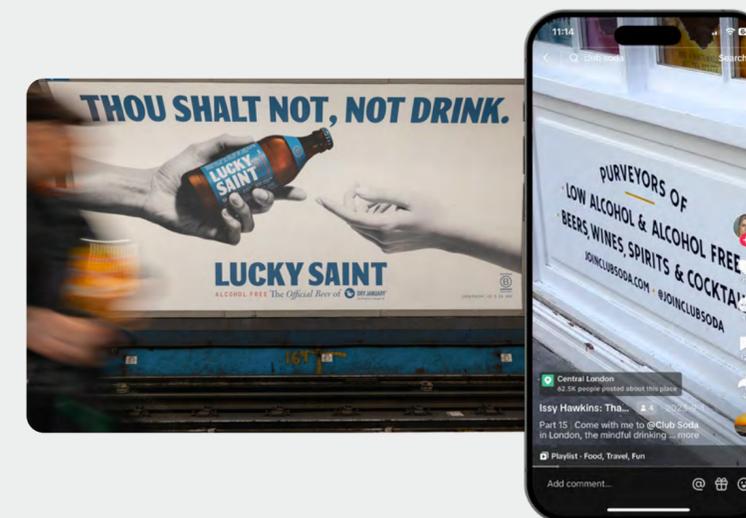
Traditional ENTE businesses changing

The reshaping of the night-time economy can be seen in the decline in numbers of ENTE businesses. NTIA data shows that between March 2020 and December 2023, London saw the closure of 1,608 night-time economy businesses. This trend is part of a broader national pattern, with the UK losing 13,793 night-time economy businesses and a loss of approximately a third of its nightclubs since 2019 in the same period. Industry experts point to soaring energy bills, rising rents, and changing consumer habits, including a generational decline in drinking and a rise in clean living, as primary causes. Shifts in consumer habits are also driving the industry's evolution, with many 'superclubs' now hosting events starting at midday and closing by 10:30pm, rather than operating into the early morning hours.



Role of social media

Social media plays a central role in shaping this new landscape, particularly among Gen Z, who are becoming increasingly influential. Research indicates that 72% of Gen Z users search for night-time experiences on TikTok rather than using traditional search engines, showcasing how digital platforms dictate social planning.



Young consumer behaviours

The NTIA Consumer Research 2025 reports that 68% of young people said the current economic climate has reduced their participation in night-time activities. 53% reported spending less on going out compared to last year. Health-conscious behaviour and changing attitudes toward alcohol are also influencing the ENTE. According to Mintel, 64% of 18-24-year-olds regularly choose low- or non-alcoholic drinks, the highest proportion among all generations, highlighting the need to promote non-alcoholic beverages as part of the ENTE offer. Similarly, a survey by Aviva found that nearly half of UK adults who drink alcohol (48%) intend to reduce or stop drinking in the coming year.

What does it mean for the HOL area?

In response to shifts and changing trends, venues have adapted by offering experience-led events that prioritise culture, creativity, and social interaction. As a result, the night-time economy is becoming a more inclusive and dynamic sector, better suited to changing consumer behaviours, while still facing ongoing economic challenges.

The ENTE is deeply integrated with the broader visitor economy, where cultural and leisure industries play a central role. In 2022, Arup estimated that the West End's evening and night-time economy generated a GVA of nearly £14bn annually. In this period, over 160,000 people were employed in night-time economic industries, accounting for more than a quarter of all jobs in the West End. Licensed premises in the area also contribute significantly, with WCC reporting that the West End and St. James wards account for 70% of ENTE employment across the borough, contributing £2.6 billion in GVA alone.

When looking in detail at the HOL area, it stands out within this wider geographical context, hosting 12% of the West End's ENTE-related floorspace whilst making up only 6% of the wider West End area. Furthermore, the HOL area's ENTE generates nearly £1 billion annually in GVA, supporting over 11,000 jobs and accounting for more than 25% of the area's total employment. This concentration underscores the HOL area ENTE's significant role in driving economic and employment growth in the West End, particularly after dark.

Images: Neon 194, Art installation by Chila Kumari Singh Burman MBE.

Hospitality and F&B

The HOL area is home to many traditional players in the ENTE economy. The area has 12 nightclubs and dance venues and a plethora of bars, including new entrants to the market such as Albert's Schloss, alongside longer standing occupiers. The culture and leisure sector is crucial to the HOL area, making up to 50% of its total night-time GVA in 2022. The area's 17 theatres draw large audiences, with SOLT reporting 4.2 million tickets sold in 2023, generating £238.4 million in gross revenue. The restaurant scene is equally as impressive, with a range of quality and price points. The HOL area has Michelin Star restaurants, The Ritz and Wild Honey, and Bib Gourmand restaurant, Palomar, which project the F&B offer in the HOL area onto the world stage. The area's F&B scene has strong growth potential, not just for fine dining, but also for new and innovative operators, at all price points.



To respond to changing tastes and to expand the traditional ENTE offer, the market is adapting. Venues like Neon 194 on Piccadilly is not just a bar and restaurant, but also operates as an event and cultural space. Its downstairs ballroom provides event space capable of accommodating live performances, private parties and pop-ups.

Retail

Elsewhere there has been an increase in the range of activities and opportunities to explore the HOL area after dark. Evening retail is ever prevalent, capturing post work footfall and evening visitors alike. Global retailers such as M&M's in Leicester Square are open late into the evening, with opening hours extending to 11pm on Monday – Saturday. Occupying 35,000 sq ft and spread over four floors, it is the largest candy store in the world. Through its experience-driven approach to retail, and proximity to the LEGO store which is also open until 10pm, it appeals to a diverse customer base, expanding the family friendly ENTE offer in the West End.

Arts and Culture

Within the arts and culture sector, the National Gallery and Royal Academy offer extended hours until 9pm on Fridays, with the National Portrait Gallery also opening until 9pm on Saturday evenings. In January 2025, the National Gallery opened its doors for 24-hours to host the final weekend of its most popular ticketed exhibition to date: Van Gogh: Poets and Lovers. This makes these some of the few cultural venues in the city open past 6pm.

Visitors are being drawn to experience the public realm after dark: footfall data reveals that areas like Piccadilly Circus and Leicester Square actually attract more visitors after 6pm on Thursdays and Fridays than during daytime hours. The vibrant, HOLBA led, cultural initiative, Art After Dark, returned to London's West End in October of 2024 and again in March of 2025. This event reimaged the West End as an open-air gallery without walls, offering a blend of free and ticketed experiences that cater to diverse audiences. Highlights included There Is No Darkness in the Garden of Light by Chila Kumari Singh Burman MBE in Leicester Square Gardens and the Art of London Gallery HOP! self-guided tours of independent galleries. Attendees also enjoyed exclusive dining offers throughout the event, blending cultural exploration with F&B.



Sources: Arup, Westminster City Council, Colliers, HUQ, SOLT.

Barriers to growth

Rising Costs

Rising costs are severely hindering growth for businesses in the ENTE. Operating costs have surged by 30-40% due to the cost-of-living crisis, with over 75% of venues facing annual increases exceeding £30,000, largely driven by soaring energy prices. Inflation on alcohol remains high, with spirits at 8.9%, wine at 7.5%, and fortified wine at 18.7% as of January 2024, compounded by rising rents tied to the Retail Price Index. A 2024 NTIA survey found that seven in ten businesses are struggling to break even or operating at a loss, as rising costs threaten their survival and limit opportunities for growth. This is compounded by forthcoming increases in National Insurance contributions and changes to business rate relief for retail, hospitality and leisure businesses, which will decrease from 75% to 40%, from April 2025.

Employment and Skills

In 2023, UKHospitality reported the number of ENTE job vacancies remained 35% higher than in 2019. Additionally, the last DCMS Sector Skills Shortages and Skills Gaps report indicates that 33% of job vacancies in the creative industries and 30% in the cultural sector are attributed to skills shortages. Although more than 1 in 4 people in London work at night, the Living Wage Foundation found that individuals working at night in London are more likely than day time workers to work in roles paying below the Real Living Wage (17% vs.12%) or are classified as insecure (18% vs. 9%). Changes in working habits, particularly working from home, has changed regular patterns of consumer spending, particularly on Fridays, with initiatives like the Mayor of London's Off-Peak Fridays implemented to encourage employees back into the city. WCC has responded to these factors contributing to a challenging ENTE employment environment in their Westminster After Dark Strategy, committing to creating skills pathways for residents to access employment in hospitality and creative sectors.

Licensing

A large portion of the HOL area falls within a Cumulative Impact Zone (CIZ), with the heightened scrutiny making it difficult to obtain new licenses or extend hours for venues serving alcohol or providing late-night entertainment. The 4,200 licensed businesses in Westminster contribute £300 million in annual business rates. WCC have committed to developing a 'Unified Licensing Policy Framework' to streamline licensing regimes and balance business and community needs. The Council are also seeking to create vibrant Late-Night Entertainment Zones (LNEZ), designed to enhance the city's cultural and economic vibrancy, although none of the three proposed zones fall within the HOL area, we expect the HOL area to be identified as a zone in the final document. Additionally, the UK Government has announced a pilot scheme that will seek to grant the Mayor of London new powers to 'call in' licensing applications on pubs, clubs and restaurants in key areas, in order to better support the hospitality industry. If successful, this could be rolled out nationally.

Transport

Reduced transport links after midnight make it challenging for visitors to move around after hours, limiting access to venues and employment opportunities. While the Night Tube services provide a crucial solution on Friday and Saturday nights, offering safe routes home during late hours, its coverage remains limited and limited to just five lines. Nevertheless, in 2022, ridership on the Night Tube and Night Overground services demonstrated a strong demand, with around 60,000 journeys on a Friday night and close to 70,000 on a Saturday night between 12:30pm and 4:30am. However, the service's reach is significantly restricted, and alternatives are often infrequent, disjointed, and more expensive due to the need for other forms of transport, such as buses or taxis, to reach a final destination. This lack of comprehensive, 24-hour transport options poses a challenge for both workers and patrons on the ENTE.

Crime

Crime is a significant barrier to the local ENTE, with WCC identifying offences as being particularly concentrated in areas such as the corridor between Piccadilly Circus and Leicester Square, as well as around Charing Cross Road and Leicester Square Station. This challenge is intensified by policing resourcing, with the Metropolitan Police reporting in 2024 that it is headed for its lowest staffing levels in a decade. The high concentration of crime, as well as the perception of crime undermines and distracts from the reputation of the West End for visitors, workers, and businesses, deterring footfall and further hindering the growth of ENTE businesses.



How can the ENTE be enabled?

The **GLA's 2020 night-time strategy report** recognised that establishing a Business Improvement District (BID) is a valuable step towards developing a successful night-time economy. The HOL area has benefited from a BID since 2004. In 2023, HOLBA took a significant step by becoming the first UK BID to publish a comprehensive district-wide **Evening and Night-Time Economy Strategy** including establishing an expert advisory board. This plan has facilitated new partnerships and encouraged shared responsibility among stakeholders for managing and enhancing the area's ENTE offerings. Despite these advancements, external factors and policy measures remain crucial to mitigating the challenges that hinder business growth within London's night-time economy.

Creating the Right Environment for Innovation and Investment

Growth of the sector can only occur if the right environment is created to support innovation and investment. This relies upon multiple factors, including supportive planning and licensing policy, area marketing, skills, accessibility, transport, policing and favourable economics.

Extending the Retail, Hospitality, and Leisure Business Rates Relief Scheme

The scheme is currently in place until March 2026. Support for the sector beyond this will be crucial in helping ENTE businesses cope with rising costs, particularly in challenging economic climates, and

ensure their sustainability. HOLBA has launched a campaign 'Fairer Business Rates' which advocates for the adoption of a Combined Business Rate. This will introduce a new Digital Business Rate element and a cut in existing business rates for all.

Adapting to Changing Consumer Behaviours

Greater understanding is needed of the Gen Z and Gen Alpha consumer habits which will shape the future landscape of the ENTE offer. This will ensure the HOL area's future sustainability as a location and destination – ensuring the offer is relevant, curated and authentic into the future.

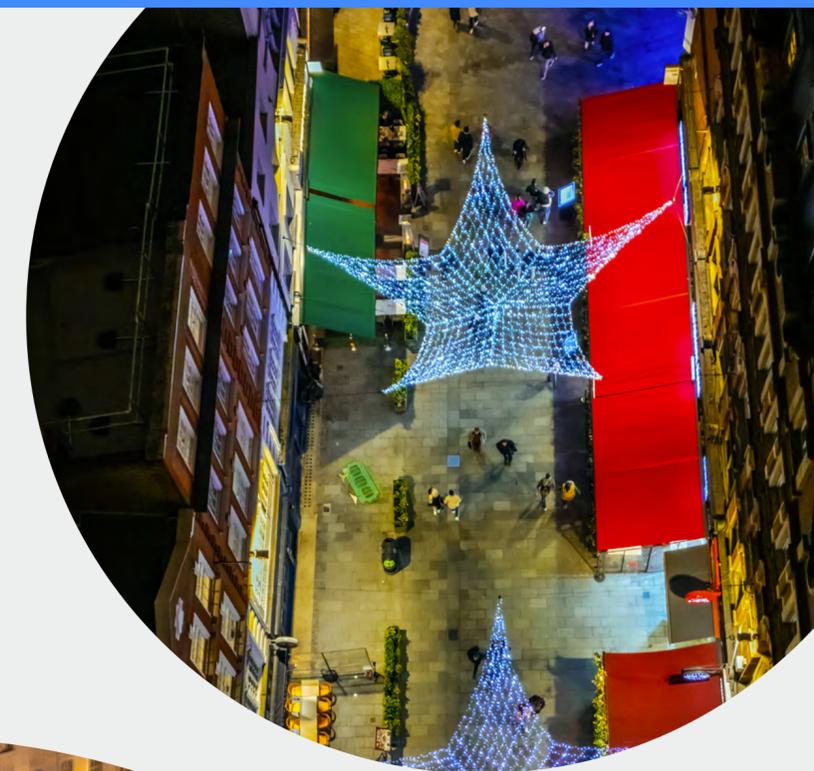
VAT Cuts

A comprehensive VAT cut may be essential to provide immediate relief and support to businesses across the ENTE. In this vein, ENTE industry bodies have advocated for a VAT cut that encompasses admission tickets, food, soft drinks, and alcohol to ensure equitable support across the sector.

Special Area Designation

Current planning policy and processes do not support the ambitious visions of many key stakeholders. To address this, HOLBA is developing the case for designating key areas as a 'Special Area for Commerce and Experience' (SPACE) within policy and statutory documents such as The GLA's London Plan & WCC's City Plan. This new designation would both recognise the area's significance and offer greater planning

flexibility. The case will include proposals for appropriate licensing and additional resources to support and grow the West End's unique economic and cultural offer. It is positive that the new Westminster After Dark Strategy proposes Late Night Entertainment Zones and it will be important that the HOL area is included as one, this combined with the latest announcements from government on licencing are an important pre cursor to our SPACE proposals.



Opportunities to explore



Stimulating Experiences

Encourage new investment in interactive experiences that evolve over time, becoming iconic symbols of the West End's identity. These could include incorporating cutting-edge technology-led experiences, such as augmented reality (AR) or mixed-reality (MR) experiences to engage visitors on multiple levels. Immersive environments could be developed that change seasonally in both permanent or semi-permanent locations. These could rotate between historical themes, art installations, or interactive technology exhibits, harnessing the character and qualities which make the area unique and creating new must see destinations in the West End.

Arts & Culture

Build upon the rich cultural scene and HOLBA's Art of London and Art After Dark programmes by creating a broader cultural programming that fosters long-term engagement and economic impact. Opportunities include partnering with theatre and arts institutions to create spaces for experimental theatre, and performance. This will not only draw new audiences, but also support the growth of creative industries within the West End. There is also potential for collaboration between theatre, visual arts and music to create cross-disciplinary events that attract a wide range of audiences, through events and festivals. Stakeholders should look to reimagine traditional approaches to celebration of key dates in the calendar, such as the Festive Season or New Year's Eve, to showcase the area through culture.

Hotel Participation

Hotels play a key role in sustaining and championing the West End's economy, and their participation should be incentivised to curate more comprehensive, visitor-focused experiences. Opportunities exist within the HOL area to develop and expand concierge relationships between hotels and cultural venues to offer exclusive visitor packages that include access to theatre, galleries, and restaurants. This encourages visitors to explore beyond the typical tourist routes and increases spending across various sectors. Loyalty and privilege programmes, such as HOLBA's Heart of London Club app for employees, can provide guests with benefits or discounts to local businesses, attractions, or cultural experiences, encouraging repeat visits and boosting the local economy.

Broaden Hospitality Offer

To ensure long-term growth, it is important to diversify the hospitality landscape to include a variety of experiences throughout the day and night. Occupiers should embrace growing consumer interest in events such as daytime to night-time festivals, pop-up food markets, or wellness-focused events. These types of activities can create steady footfall into the area and build long-term place brand loyalty. The area can support further increases in the high-quality F&B offer and fine dining as ground floor spaces become available, as well as a largely untapped market in rooftop venues. Further work is required by landowners and their agents to market the opportunities and explain the narrative to operators as they emerge.

Collaborative Curation

The success of the West End depends on the ability of stakeholders to work together, sharing resources and collaborating. Landowners, developers and operators should explore wider collaboration to create development opportunities where culture, retail, and hospitality are curated as complementary offerings to grow the ENTE. It is also fundamental to build good relationships between landowners and agents to ensure the wider ecosystem creates an environment for ENTE uses to thrive. The combined impact of this collaborative approach will be felt across the board, through increased footfall, improved rents and asset values.

Real Estate Offer

Space should be provided which supports the adapting ENTE and landowners should be encouraged to consider ENTE uses as part of development and retrofit. This includes creating long-term multipurpose spaces that support both daytime and ENTE uses. Spaces should be created that can adapt to host anything from fashion shows and film festivals to culinary pop-ups or immersive experiences. These initiatives will help diversify the area's offerings and create a flexible, dynamic atmosphere that continues to attract visitors long-term. When spaces become vacant, there should be support from landowners and Westminster City Council to transform them into ENTE meanwhile uses such as pop-up markets, seasonal festivals, or temporary art galleries.

REAL ESTATE ECONOMICS

The Real Estate Economics section examines the office, commercial and hotel markets within the HOL area reporting key data to analyse demand and market performance across the financial quarter, supported by market insight and intelligence.





Image: Jermyn Street, HOLBA.

THE OFFICE MARKET

Q3 2024-25

In this report, we study metrics for all office properties located within the HOL area, between October and December 2024. We consider the office market within a complex economic climate, including the consistent pressure for employees to return to the office, the impact of the October budget, and elevated construction costs.

As we saw across the last quarter, the market is still facing challenges. Occupiers are increasingly looking for exceptional quality spaces, in top locations to attract staff back to the office, alongside flexible leasing. KPMG reported that in a survey of 150 UK financial services leaders, 76% plan to increase office attendance across 2024, with 37% requiring four days weekly.

A study by Centre for Cities cites commutes as a key deterrent, with only 40% of London workers attending on Fridays. Whilst the HOL area benefits from exceptional public transport access, this finding is reflected in TfL's reporting that no positive impact has been seen on passenger numbers following the £24m implementation of the Off-Peak Friday trial.



OVERVIEW

Since Q4 2021-2022, overall rents in the HOL area have shown consistent quarter-on-quarter growth, with a 2.7% annual growth rate and a current market asking rent of £86.96 per sq ft. This trend reflects a sustained period of market recovery. However, the broader West End market has outpaced the HOL area slightly, with a higher annual growth rate of 3.2% and market asking rents currently reaching £89.44 per sq ft.

In the HOL area, 261,967 sq ft of office floorspace is currently available, representing 6.3% of the total office stock across 41 properties. This marks a 1.1% increase in availability compared to the previous quarter. In contrast, the broader West End has seen a quarter-on-quarter decline in availability, although it remains higher than the HOL area. Availability in the West End is currently being reported at 6.7% of office floorspace captured by 422 properties. Based on the current rate of transactions, this level of availability equates to 1.27 years of supply on the market.

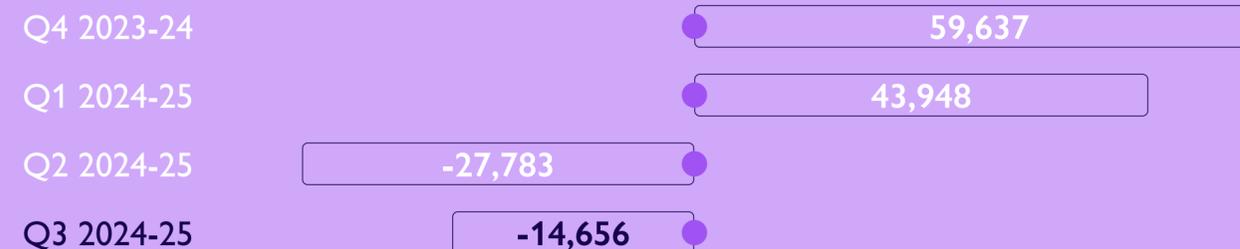
Net absorption is a measure of demand defined by the difference in tenant uptake (move-ins minus move-outs) over a specified period of time. Over the past two quarters net absorption has been negative, with 27,783 sq ft (net) being vacated in Q2 and a further 14,656 sq ft (net) being vacated in Q3. Deliveries are a measure of supply, as they capture the new buildings brought to the market. There have been no new deliveries in the HOL area since Q2 2023-2024, a stagnation attributed to uncertain economic conditions that may impact long-term inventory replenishment.

There is currently 70,000 sq ft of office floorspace under construction, primarily captured by Aviva's 37- 43 Sackville St development. This project, set for completion in June 2025, intends to deliver 36,000 sq ft of office space, 21,000 sq ft of retail space, and 16,634 sq ft of build-to-rent accommodation.



Image: Lucent, HOLBA.

Net Absorption (sq ft)



West End Metrics

No. of Transactions (Q3 2024-25)	105	- 8 from Q2
No. of Transactions (Q3 2023-24)	132	
Market Rent per sq ft	£89.44	- £4.06 /sq ft from Q2
Vacancy Rate	7.2%	- 0.2 from Q2
No. of Years' Supply on the Market	1.4	- 0.05 from Q2
Rental Growth	+3.2%	+ 1.4% from Q2

HOL Area Metrics

No. of Transactions (Q3 2024-25)	5*	- 6 from Q2
No. of Transactions (Q3 2023-24)	12	
Market Rent per sq ft	£86.96	+ £5.32 /sq ft from Q2
Vacancy Rate	6.5%	+ 0.4% from Q2
No. of Years' Supply on the Market	1.27	+ 0.33 from Q2
Rental Growth	+2.7%	+ 0.9% from Q2

Total Inventory

4.1M

+ 0 sq ft from Q2

No. of Buildings

165

Occupancy Rate

93.5%

- 0.4% from Q2

Vacant Space (sq ft)

266k

+ 14K from Q1

Under Construction (sq ft)

70,000

Unchanged from Q2

Properties with Available Space

41

+ 1 from Q2

Availability Rate

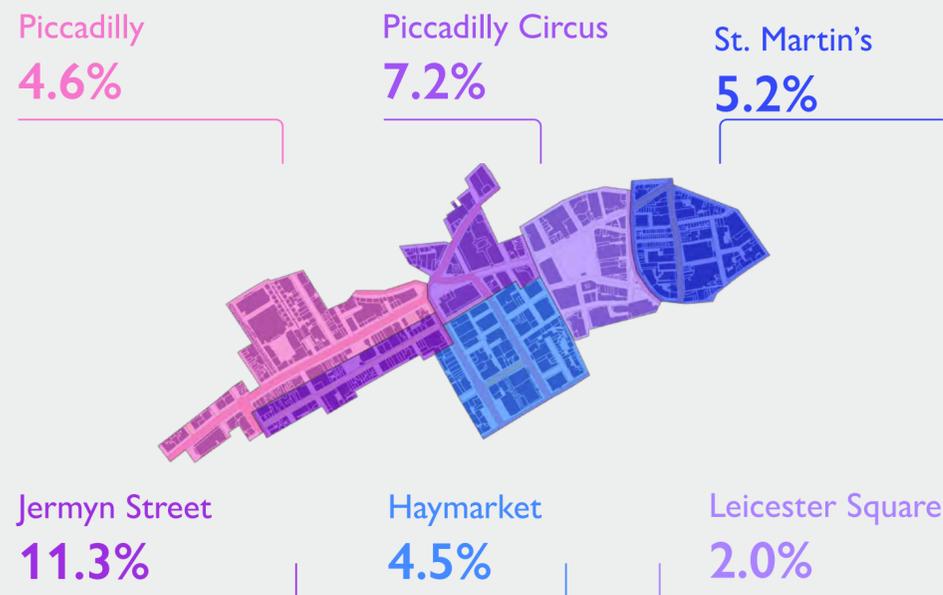
6.3%

+ 1.1% from Q2

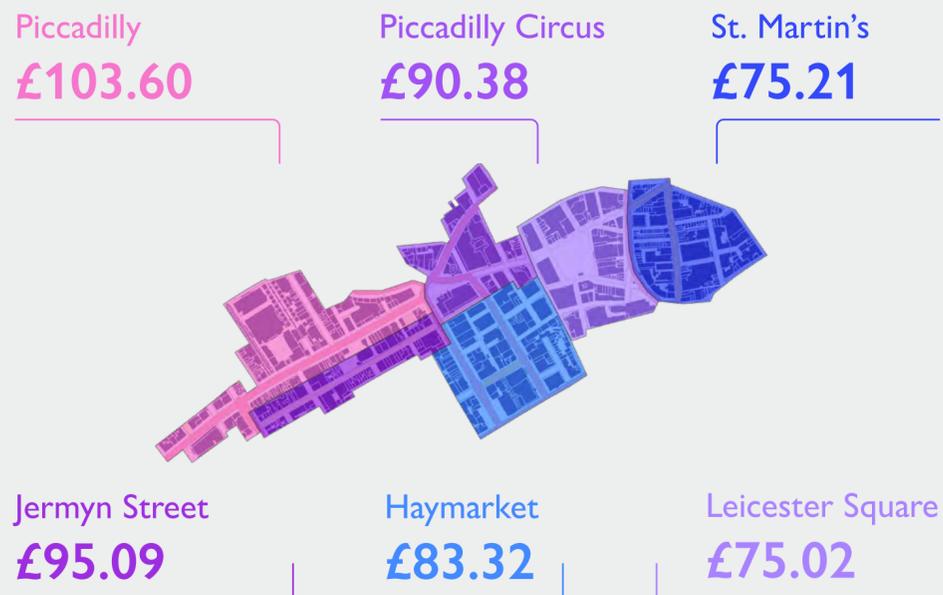
* Whilst we have reported five transactions this quarter, there is often a delay in the reporting of CoStar transactional data. As a result, the figure is likely to increase as additional information becomes available.

DISTRICT-LEVEL ANALYSIS: OFFICE

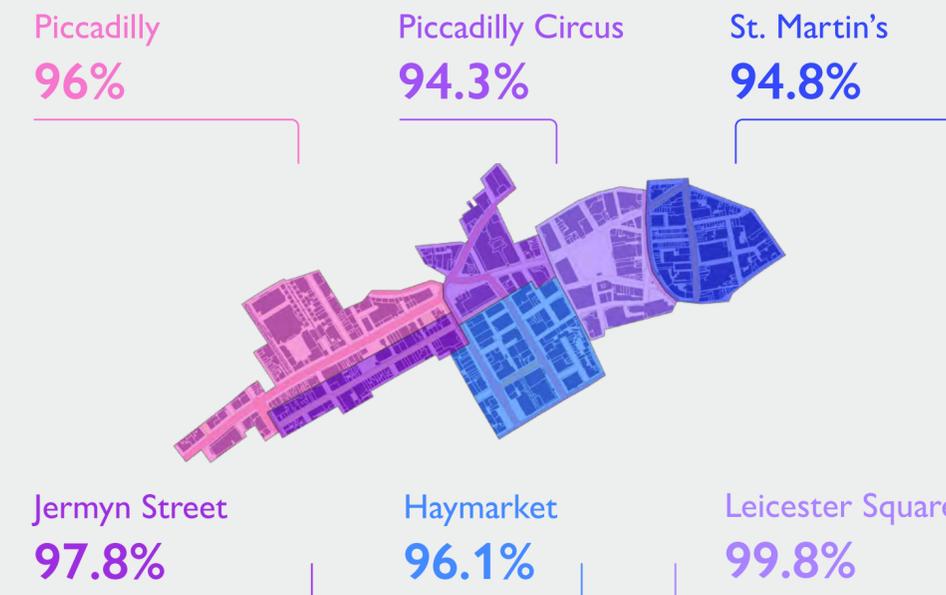
Availability Rate



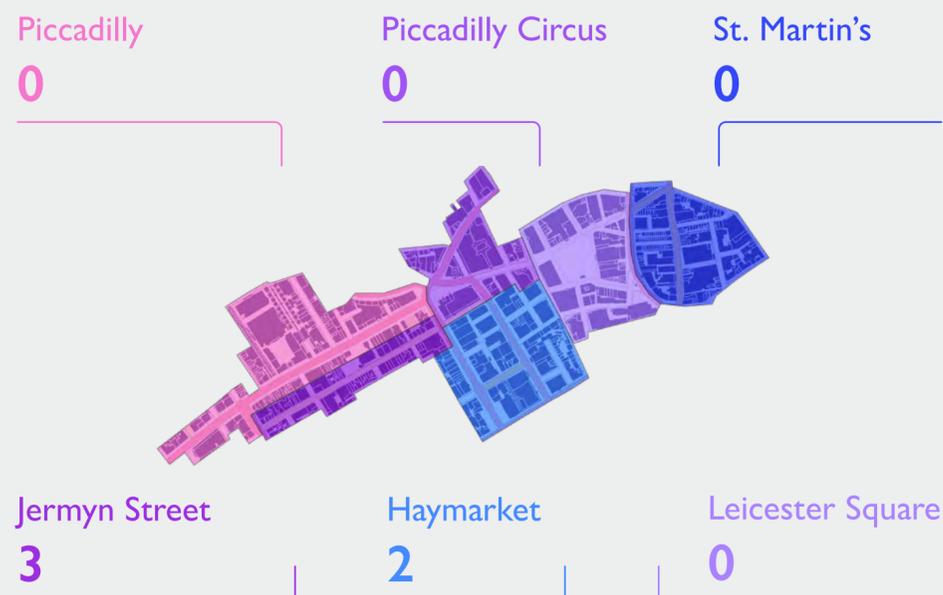
Market Rent Per Sq Ft



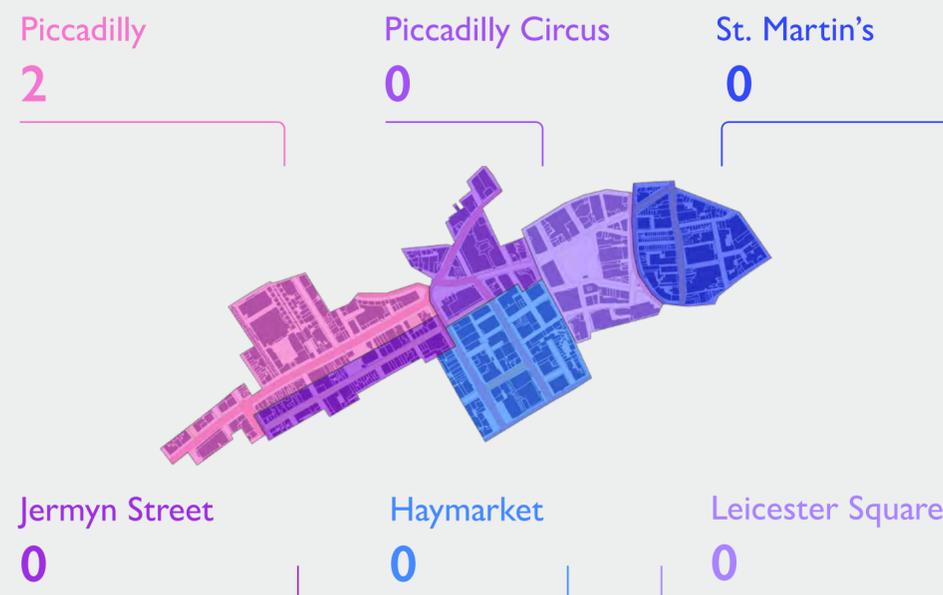
Occupancy Rate



No. of Transactions



Pipeline



THE COMMERCIAL MARKET

Q3 2024-25

The study analysed a range of market factors for the full commercial inventory within the HOL area. Analysis covers transactions, market rents, vacancy, availability, rental growth, new development activity and future supply to understand demand in the local retail and F&B market between October – December 2024. The report also considers the wider hospitality and leisure offer across the HOL area.

This quarter included the festive season, which historically has seen a reported increase in performance from operators and is known within the industry as the Golden Quarter. Reporting in January 2025, the British Retail Consortium announced that, overall, total UK footfall in 2024 was down 2.2% compared to 2023. For the three months to December, footfall decreased by 2.5% (year-on-year). Conversely, for the same 3 months the HOL area's footfall rose by 2%. While the Black Friday weekend delivered more promising results, they were overshadowed by a lacklustre festive season. Footfall for the HOL area is reviewed in more detail later within **this report**.

Despite this less positive national footfall picture, the F&B market continues to grow across the HOL area with a number of pipeline new openings for 2025. Piccadilly Circus sits at the centre of this activity with several notable international operators moving into the area. As noted within the office market overview, the F&B industry continues to be impacted by drop in customers due the continued pattern of working from home, especially on Fridays. In response, operators are having to elevate their offers to attract custom generally. The sector is seeing an increase emphasis on experience, with operators investing in technology and innovative fit-out to create something which is unique within the West End landscape.



Market Insight

Camilla Topham
Co-Founder



As we step into 2025, the hospitality landscape remains as dynamic as ever, however with Government budget changes on the horizon, rising costs including increases in National Insurance contributions and the minimum wage are placing pressure on profit margins. Businesses are being forced to make tough decisions, from adjusting pricing to reviewing recruitment strategies, all of which have potential knock on effects on employee job security and overall guest experience. Meanwhile, high interest rates and weakened business confidence make securing investment increasingly difficult, while consumer spending remains cautious.

Although hospitality has proven time and time again that it can adapt, innovate, and push forward, and resilience and reinvention continue to remain at the heart of the industry. Now more than ever, we're seeing how vital strong partnerships between landlords and operators are to protect the industry, as are operators who embrace technology, especially in the face of rising costs and staff cuts. The next generation of operators are embracing short-term ventures, pop-ups, and supper clubs to test concepts as they mitigate high costs and avoid the long-term risk of permanent sites.

OVERVIEW

Commercial space uptake has been robust over the past quarter, with net absorption reaching 21,883 sq ft. Partially attributed to seasonal trends, this marks a significant improvement from the previous quarter’s modest 459 sq ft and helps offset the substantial space vacated earlier in the year. In Q1, net absorption was reported at -28,759 sq ft, underscoring the stark contrast to the current positive trajectory.

Rising occupancy levels have further strained the already limited supply of commercial space. Vacancy has tightened to 1.5%, reflecting a supply-constrained market. This is a notable improvement from the 2.7% vacancy rate reported in both Q1 and Q2. For context, the West End’s vacancy rate currently stands at 2.6%, while Greater London averages a higher 3.5%.

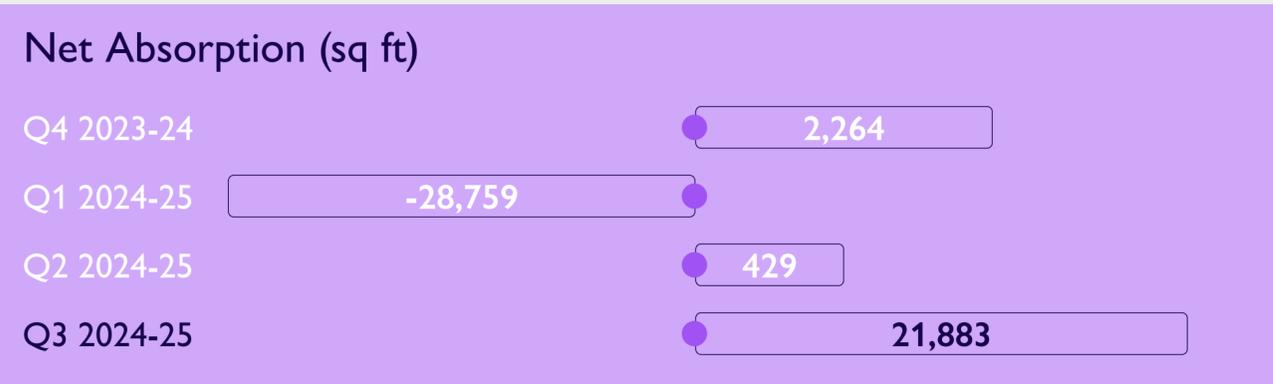
The availability rate, which measures leasable rather than physically occupied space, is equally indicative of constrained supply. Currently at 2%,

it is driven by just five properties, underscoring the competitive nature of the market and the heightened demand for commercial space. Market asking rents has seen a slight quarter-on-quarter decline. In Q2, rents averaged £103.15/sq ft, dipping marginally to £102.24/sq ft in Q3. However, this aligns with normal market fluctuations and remains reflective of the high demand in the HOL area. This demand is particularly evident when comparing HOL’s asking rent to Greater London’s significantly lower average of £46.47/sq ft.

Overall, the data highlights a commercial market characterised by strong demand, tightening supply, and high competition for space. Despite a slight softening in rents, persistently low vacancy and constrained availability suggest continued upward pressure on the market in the near term.



Image: Prezzo, HOLBA.



West End Metrics

No. of Transactions (Q3 2024-25)	25	+ 0 from Q2
No. of Transactions (Q3 2023-24)	24	
Market Rent per sq ft	£98.93	- £0.17 from Q2
Vacancy Rate	2.6%	+ 0.6% from Q2
No. of Years’ Supply on the Market	1.5	+ 0.42 from Q2
Rental Growth	-0.4%	- 1.4% from Q2

HOL Area Metrics

No. of Transactions (Q3 2024-25)	3*	+ 1 from Q2
No. of Transactions (Q3 2023-24)	5	
Market Rent per sq ft	£102.24	- 0.91 from Q2
Vacancy Rate	1.5%	- 1.2% from Q2
No. of Years’ Supply on the Market	2	- 1.57 from Q2
Rental Growth	-0.4%	- 1.5% from Q2

Total Inventory
1.9M
Unchanged from Q2

No. of Buildings
174

Occupancy Rate
98.5%
+ 1.2% from Q2

Vacant Space (sq ft)
29.8K
- 21K from Q2

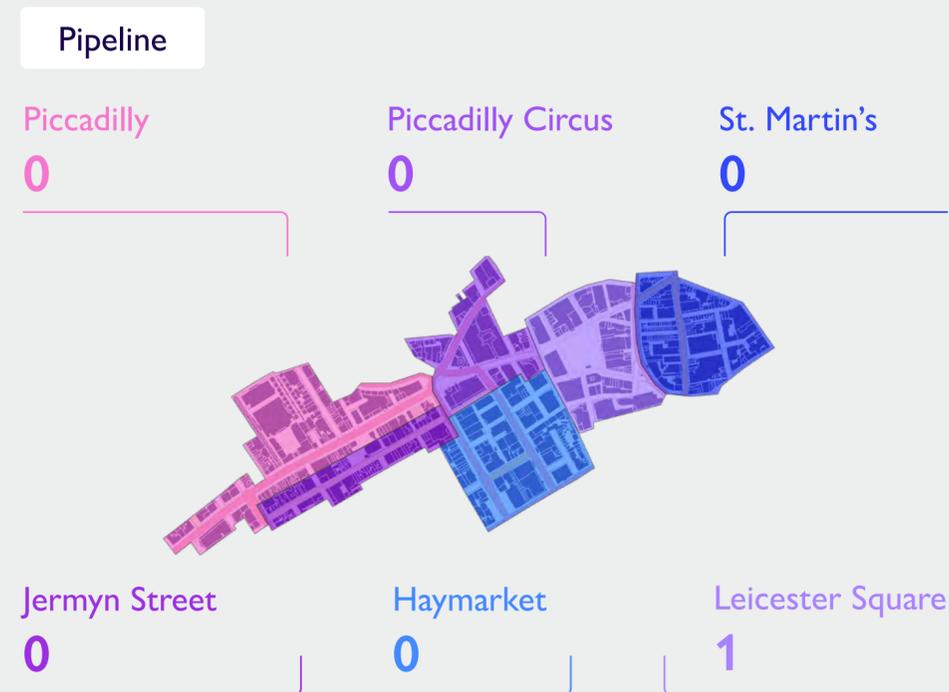
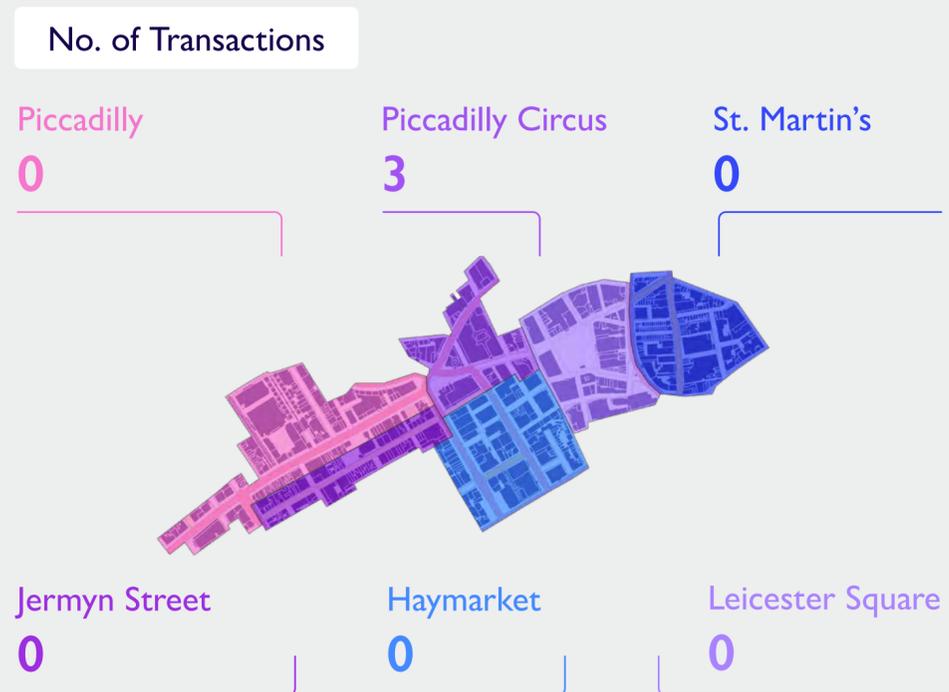
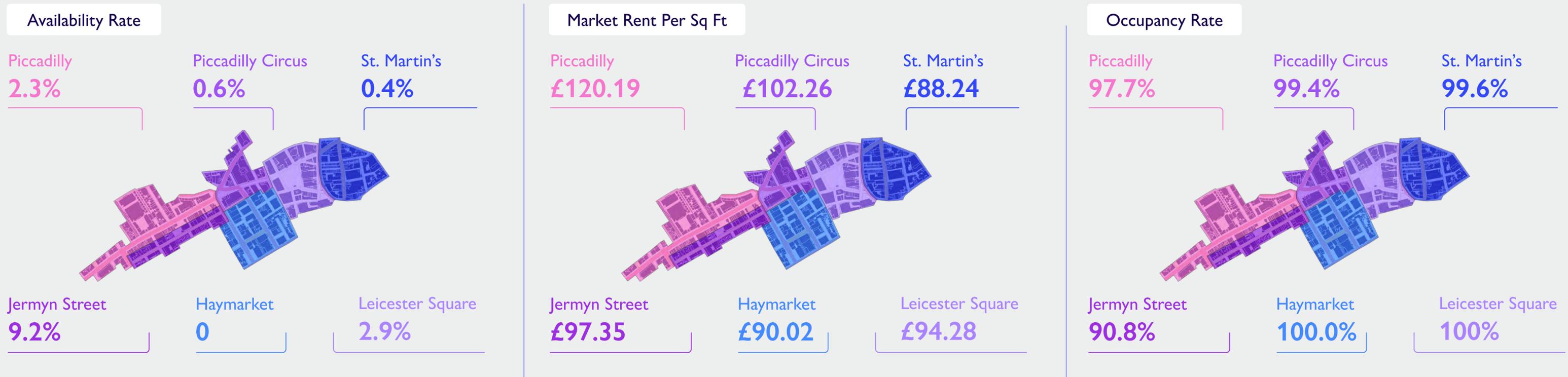
Under Construction (sq ft)
2,000
Unchanged from Q2

Properties with Available Space
5
- 3 from Q2

Availability Rate
2%
- 1.2% from Q2

* Whilst we have reported three transactions this quarter, there is often a delay in the reporting of CoStar transactional data. As a result, the figure is likely to increase as additional information becomes available.

DISTRICT-LEVEL ANALYSIS: COMMERCIAL





LEISURE, HOSPITALITY AND F&B

3.4%

Availability

- 0.2% from Q2

0.0%

Vacancy

in line with Q2

0 sq ft

Net Absorption

in line with Q2

100%

Occupancy

in line with Q2

£85.86

Market asking rent per sq ft

- £0.37 from Q2

Properties spend an average of

9.8

months on the market

- 3.4 months from Q2

This Quarter's Highlights

Yari Club | Opened 1 October 2024



Yari Club opened on 1 October 2024, located at 57 St Martin's Lane it occupies 650 sq ft of retail space. Yari Club is the first of its kind – using a robotic arm to prepare and serve Japanese yakitori. This innovative dining option offers eight different yakitori dishes, combining cutting-edge technology with traditional Japanese flavours for a unique dining experience.

Eurydice, Jermyn St Theatre | 3 Oct – 9 Nov 2024



The most recent retelling of Eurydice, created by writer Sarah Ruhl and director Stella Powell-Jones, ran at the Jermyn Street Theatre from 3 October – 9 November 2024. Tucked away off Piccadilly Circus, the play was staged in an intimate 70-seat space, offering audiences an immersive theatrical experience.

The Ritz - Second Michelin Star



The Ritz has been awarded its second Michelin Star, building on its well-recognised status as a bastion of British luxury. John Williams MBE is still at the lead, supported by a team of world-class chefs. Wild Honey, Evelyn's Table and Veeraswamy have retained their Michelin Stars, bringing the HOL area total to four Michelin Star restaurants. Bancone and Palomar retain their Bib Gourmand status.

Christmas in Leicester Square



The festive season in Leicester Square began with the Christmas Market opening on 9 November 2024. The market featured 25 wooden chalets selling food, crafts, and drinks through the festive season up to 6 January 2025. Located in the centre of Leicester Square, the market offered a traditional and experiential festive shopping option.

English National Ballet's Nutcracker



The English National Ballet's Nutcracker ran from 14 December 2024 to 12 January 2025 at the London Coliseum on St Martin's Lane. Over 100 dancers performed in this production, which is renewed annually. The London Coliseum, is the largest theatre on St Martin's Lane and has 2,359 seats.

La Clique



The Olivier Award-winning show, La Clique, celebrated its 20-year anniversary in Leicester Square at the temporary Spiegeltent Theatre. The show, which combines cabaret, circus, comedy, and burlesque ran between 18 November 2024 to 31 December 2024.



Image: The Londoner Hotel.

THE HOTEL MARKET

Q3 2024-25

The hotel market overview looks at a range of factors specific to the HOL area and the hotel market in comparison to the wider West End. These metrics include occupancy growth, ADR growth, RevPAR growth, as well as development and construction activity. This approach aims to understand the performance of the local hotel market and its quarterly performance and quarter-on-quarter change.

The area's hotel occupancy fell quarter-to-quarter but was higher than the equivalent period last year, while ADR and RevPAR grew significantly quarter-on-quarter. 2024 has been a positive year for the hotel industry across Europe as the continent remained the world's largest destination region. Europe welcomed 747 million visitors in 2024, over half of all visits globally and +1% above 2019 levels and +5% above 2023 levels.

Deals surged to their highest level in five years in the first half of 2024, with London, Paris and Dublin key to a strong investment revival, according to data from Cushman & Wakefield. London led the way, with the highest deal volumes by city, at €2.6bn (£2.2bn) in H1 2024, a 215% leap from €827m (£696m) in H1 2023. This resurgence in the first half of the year continued into Q3 2024-25, with the largest deal across all UK real estate sectors being the sale of the Marriott Hotel Portfolio (33 hotels) by the Abu Dhabi Investment Authority to KKR and Baupost for £900 million.

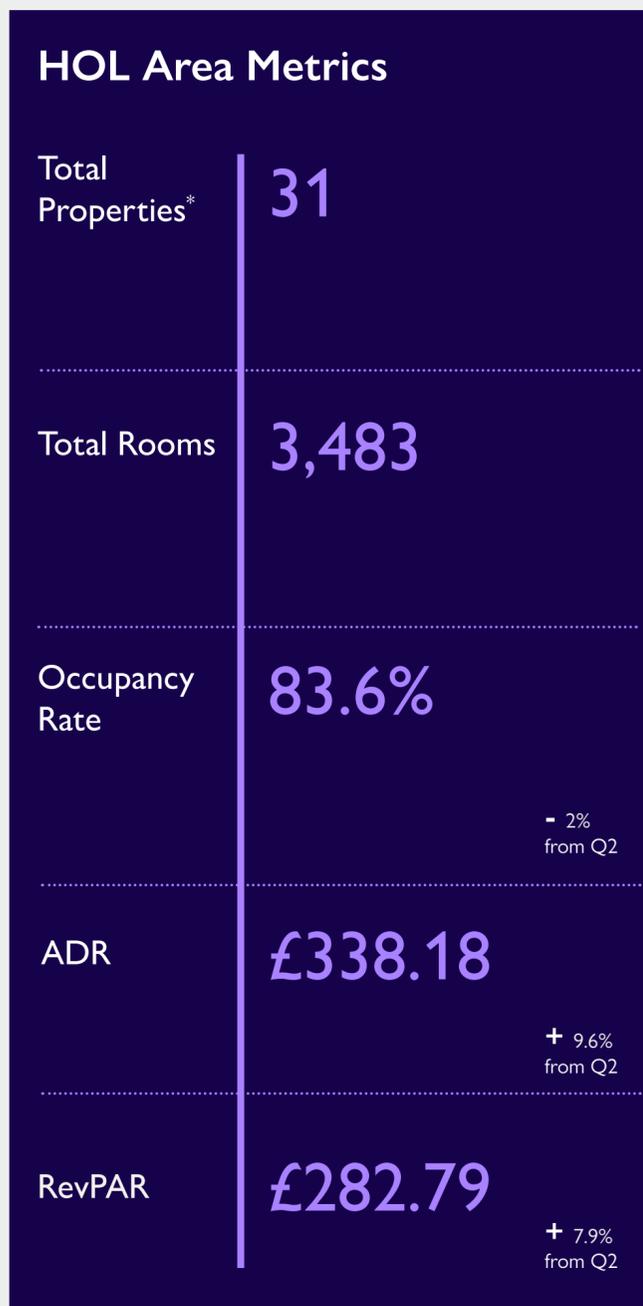
VACANCY, REVPAR & ADR

The HOL area boasts 3,483 hotel rooms across 31 hotels and serviced apartments. Q3 2024-2025 saw a slight decline in occupancy, decreasing from 85.6% in Q2 2024-2025 to 83.6%. Despite this slight quarter-on-quarter drop, occupancy was 4.2% higher compared to Q3 2023-2024. October presented an anomaly, as it typically experiences a decline in occupancy following the summer holiday visitation and before the holiday surge. However, October 2024 recorded an unexpected rise, with occupancy increasing from 83.1% in September to 83.5% in October, bucking seasonal trends. This uptick can be partially attributed to mild weather for the time of year and the school half-term, as well as pricing adjustments by hotels to attract visitors. Occupancy in the HOL area for Q3 was notably higher than the wider West End, which reported a rate of 82.9%.

Slight decreases in occupancy were offset by substantial growth in both ADR and RevPAR, which reached £338.18 and £282.79, respectively. These figures represent significant quarter-on-quarter increases of 9.6% and 7.9%, marking the highest levels since 2022. The HOL area plays a pivotal role in attracting seasonal visitors due to its heritage, arts, and cultural offerings. During the festive season, its strength in the experience economy is amplified by events such as the Leicester Square Christmas Market and seasonal

West End shows. As a result, hotel operators in the area can capitalise on higher profitability per available room, supported by the area’s appeal and travellers’ willingness to pay a premium (STR, 2025).

As outlined in our last report and recent **Experience Economy White Paper**, research conducted by Barclays and the Centre for Economics and Business Research shows a 6.5% increase in annual spending on entertainment and travel between 2023 and 2024, reflecting the rising demand for destinations like the HOL area that offer exceptional cultural and experiential value.



*CoStar analytics includes hotels and serviced apartments in hotel analysis
 RevPAR Definition: Revenue per available room.
 ADR Definition: Average Daily Rate.

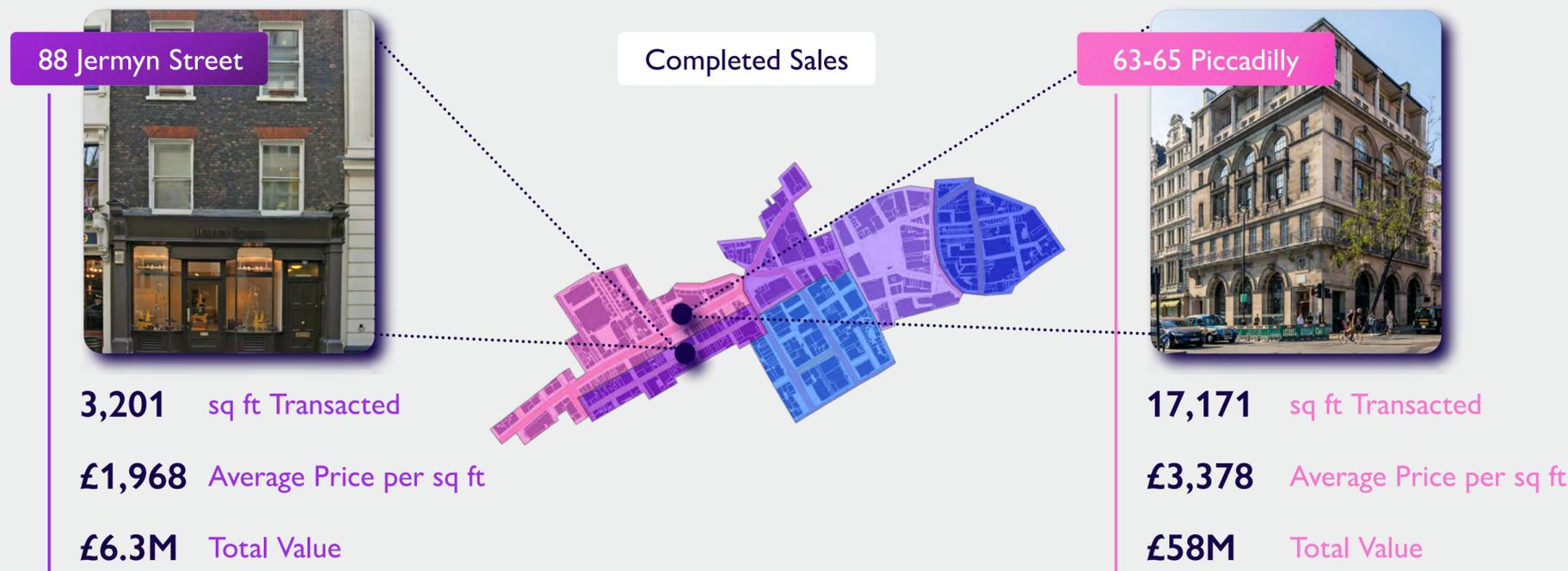


INVESTMENTS

There were two confirmed properties sold during Q3 2024-2025. The first was a 17,171 sq ft office building with a retail bank at the ground floor at 63-65 Piccadilly. The sale was completed on 17 December 2024. The second sale was completed only a day later on 18 December 2024 at 88 Jermyn Street, a 3,201 sq ft office building.

The freehold interest of 88 Jermyn Street was sold by Floris Estates Limited, the property branch of perfumers Floris London, to a private developer for £6.3M after having spent 286 days on the market. The listed property is mixed-use, with a 66.7% office, 31.7% retail and 1.6% residential split of the commercial space. It was fully let at the time of the sale. Its tenant mix, including high-end retail occupants, further reinforced its investment appeal.

Trophaeum Asset Management Ltd bought the freehold interest of 63-65 Piccadilly for £58M from Rue de la Mode Properties. The large floor area and prime frontage of 63-65 Piccadilly suggest significant redevelopment or repositioning potential in the future, aligning with the ongoing trend of adaptive reuse and luxury mixed-use redevelopment in the HOL area.



Market Insight

Mark Shipman
Founder



The last quarter saw a limited number of transactions, but there is a lot more activity on the horizon as we head into Q4 2024-25, particularly from international private equity buyers.

The most notable transaction of the last quarter was the late December sale of 63-65 Piccadilly for £58m. The buyer is reported as a private Singaporean individual. Located at the corner of Albemarle Street, the building is the now vacant site of the former Natwest Bank. The site has previously received planning consent for a boutique hotel and high-end restaurant at ground floor and basement. It's an address to watch, as this 1920's bank building is likely to be transformed in the coming years.



Image: Yinka Ilori 'Good Things Come to Those Who Wait' installation, Piccadilly Circus, HOLBA.

INSIGHTS

Our Insights focus review data and metrics to understand how people are interacting with the HOL area, ranging from footfall numbers, visitor demographics and social media mentions. We also include key publications, announcements and consultations from stakeholders across the HOL area.

The insights are considered against a complex backdrop, with UK politics and economics, the new budget, sustainability, world events, and the festive season all playing a role.

TRANSPORT

The HOL area is home to three Underground stations – Green Park, Piccadilly Circus and Leicester Square (the HOL stations) and together they give visitors access to five major Underground lines: Jubilee, Piccadilly, Victoria, Bakerloo, and Northern Line.

Passenger journeys in the HOL stations between October and December 2024 reached a total of 24.5 million which makes up 34.5% of the total passenger journeys made in all West End Stations (Marble Arch, Bond Street, Oxford Circus, Tottenham Court Road, and the HOL stations). Among the three HOL stations, Green Park station had the highest passenger journeys at 8.75 million, which makes up 35.6% of the total passenger journeys made through the HOL stations in the third quarter.

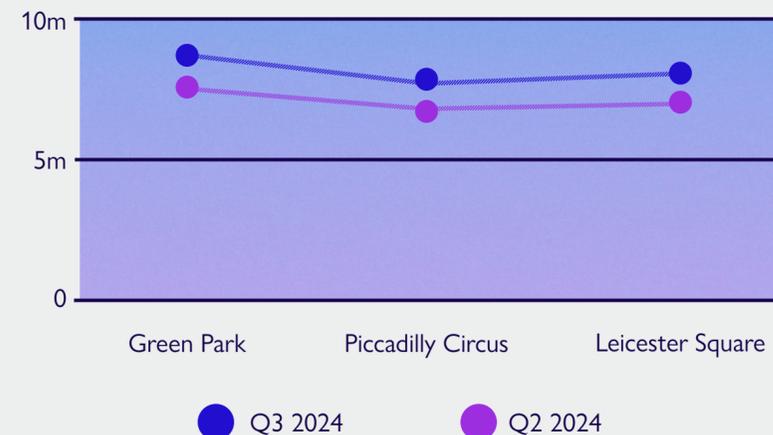
Passenger journeys remained consistently high throughout the quarter, peaking at 8.6 million in December, highlighting the HOL area’s appeal during the holiday season. Green Park and Leicester Square stations witnessed steady growth in passenger journeys throughout the quarter while Piccadilly Circus station witnessed a minor dip from October to November, followed by a rise to December.

Looking at the quarter-to-quarter change (comparing Q3 2024-25 to Q2 2023-24), the HOL stations witnessed an overall 16% growth (+3.4 million) in passenger journeys. All three HOL stations contributed to the growth with Leicester Square station achieving the highest growth in passenger journeys by 16.6%, adding another 1.1 million passenger journeys.

A year-on-year analysis of HOL station performance reveals a total increase of 521K passenger journeys (2.17%) compared to Q3 2023-24. Among the three HOL stations, Green Park saw the highest growth, with a 5.4% rise, attracting an additional 450K passengers. This overall increase aligns with the rising footfall in the HOL area, highlighting its growing global appeal as a tourist destination.

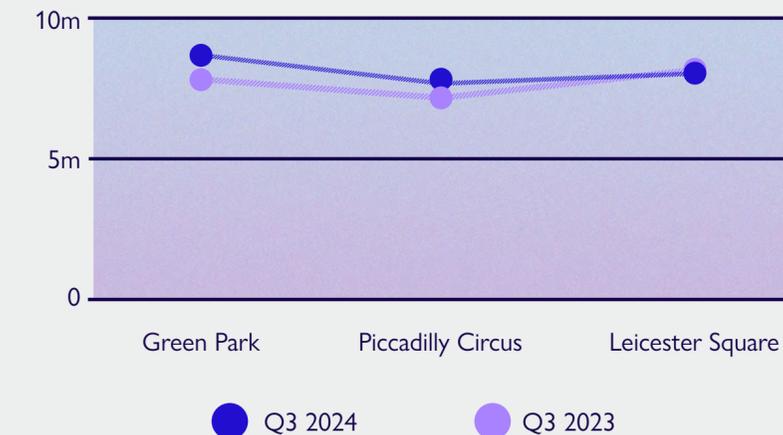
Quarter to Quarter Change

Q3 24 vs Q2 24



Year-on-Year Change

Q3 24 vs Q3 23



Total Passenger Taps by Station

Q3 2024-25



Monthly Passenger Journeys

Q3 2024-25



FOOTFALL

Between October and December 2024, footfall in the HOL area reached 23.3 million, with 14.2 million domestic visitors and 9 million international visitors. This accounted for 28.6% of total foot traffic in the West End.

Footfall in the HOL area showed steady growth throughout the quarter, driven by the iconic ‘Spirit of Christmas’ light displays, festive events, Christmas markets, major film premieres, and the area’s overall popularity during the holiday season. In October the area welcomed 7.6 million visitors, followed by 7.8 million in November, supported by Black Friday sales. December recorded the highest footfall of the quarter at 7.9 million visitors, due to the high influx of both domestic and international visitors in the run-up to Christmas.

Among the six HOL districts, Piccadilly Circus attracted the most visitors at 8.9 million followed by Leicester Square with 8.4 million. Both districts experienced steady growth, with footfall peaking in December, while other districts saw a rise between October and November before dipping slightly in December.

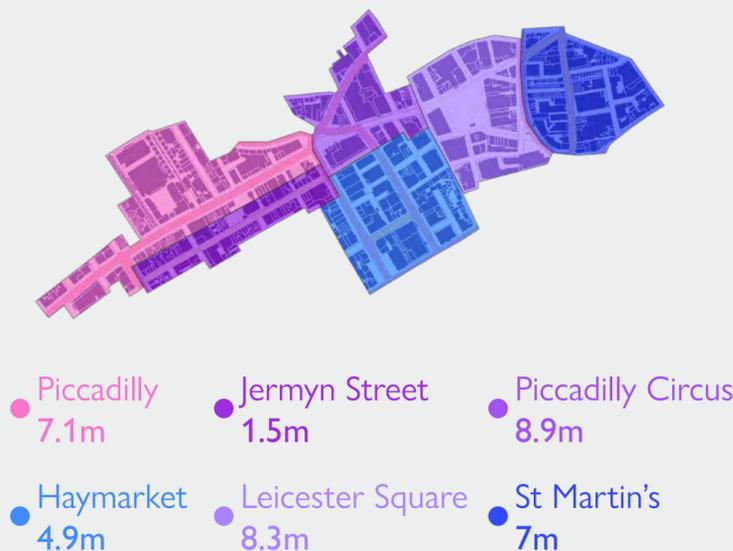
Compared to the previous quarter (Q2 2024-25), total footfall grew by 2.9%, with international visits increasing by 10%. Year-on-year comparison to evaluate the performance of the HOL area showed total footfall rising by 2.7 million (13%) compared to Q3 2023-24. Domestic visits grew by 0.6 million (4.3%), while international visits

surged by 2.1 million (30.2%), reflecting the HOL area’s growing global popularity as a tourist destination.

Leicester Square led the growth, with a 23.6% increase (1.6 million more visitors) compared to the same period last year. This was largely driven by its role as a hub for the film and entertainment industry. Six major film premieres, including Sonic the Hedgehog 3, The Lord of the Rings: The War of the Rohirrim, Gladiator 2, and Moana 2 drew large crowds of film enthusiasts, significantly contributing to the district’s footfall growth.

Total Footfall

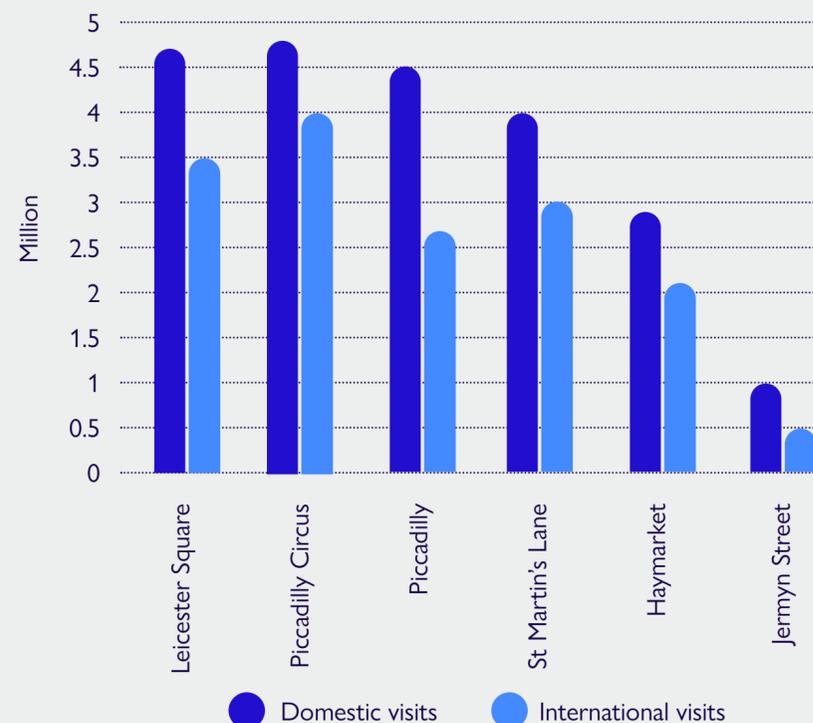
Q3 2024-25



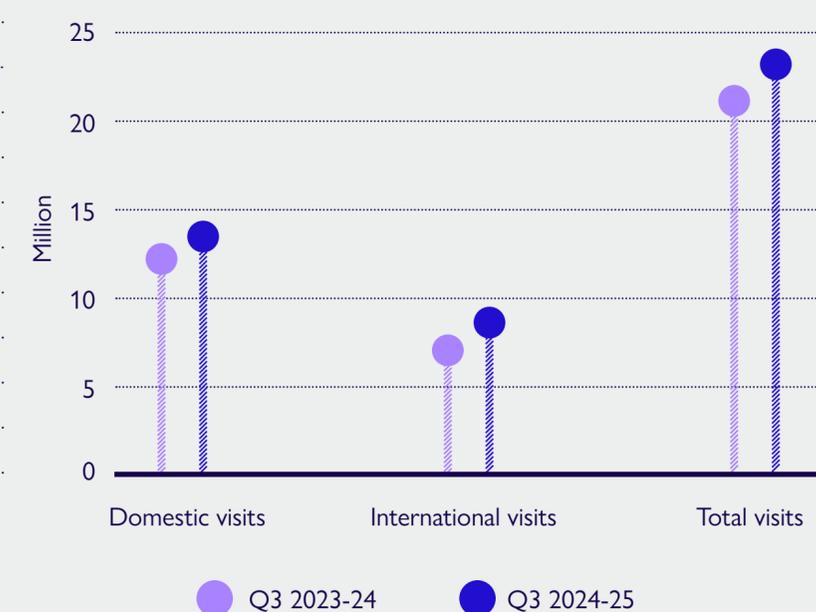
*The footfall numbers for individual districts may not equal the total footfall across the HOL area. This discrepancy arises because the same person visiting multiple districts will be counted separately in each district’s footfall count. However, when calculating the overall footfall across the HOL area, that person would only be counted once.

Footfall Breakdown

Q3 2024-25

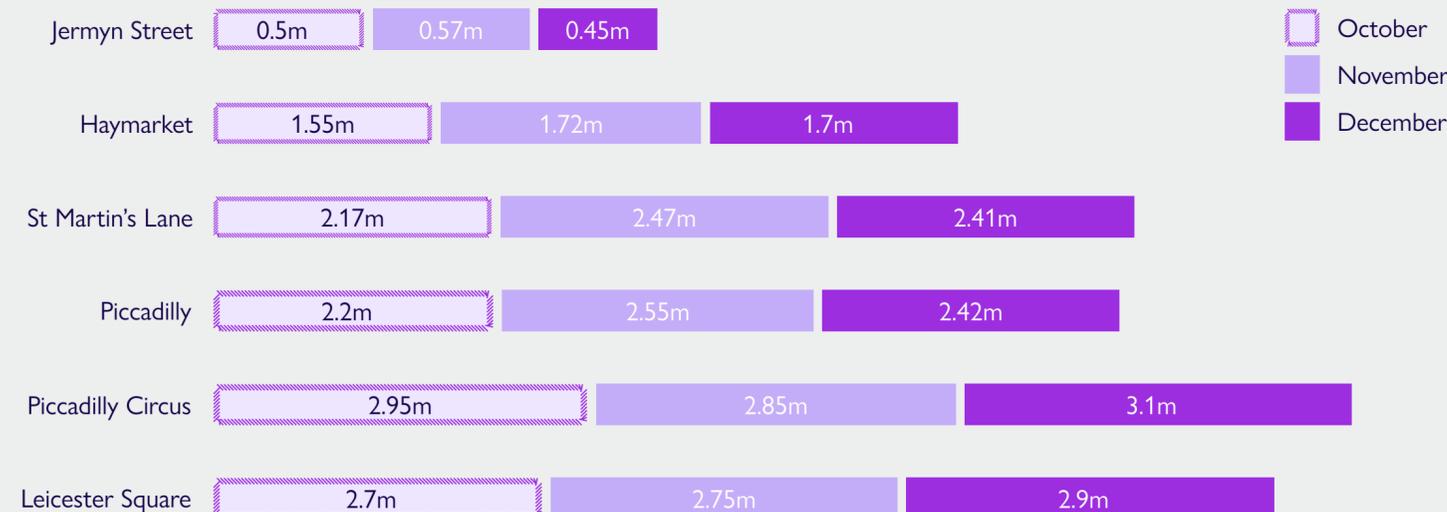


Year-on-Year Change



District Level Monthly Footfall

Q3 2024-25



VISITOR DEMOGRAPHICS

The HOL area stands out as a vibrant destination, attracting millions of visitors of all ages with its blend of high-end retail, cultural landmarks, diverse entertainment, F&B, and leisure activities.

According to London’s Cultural Tourists report, younger visitors, particularly those under 34, value affordable and accessible experiences. They are drawn to iconic landmarks and trendy attractions popularised on social media, making HOL’s lively, photogenic spots highly appealing to this group.

Between October and December 2024, 57.2% of visitors to the HOL area were aged 30-59. As highlighted in the report, this group is captivated by cultural experiences and architecture, aligning well with HOL’s cultural hubs and work-leisure mix. Older visitors (60+) gravitate toward the area’s established offerings, such as West End shows, which cater to their preferences for timeless cultural events.

Occupational data reveals that most visitors to the area work in professional and managerial roles. Given the HOL area’s status as a business hub, it is likely that many of these visitors spend time in the HOL area for work. It is also likely that these individuals visit the area for leisure due to higher-than average levels of disposable income.

The Mayor of London’s Tourism Vision 2030 highlights key visitor motivations, offering

opportunities for the HOL area to strengthen its appeal. Visitors come to London to relax, recharge, see famous spots, and indulge themselves. They value destinations that are welcoming, easy to explore, offer good value for money, and provide diverse experiences in one place. The HOL area aligns perfectly with these preferences, offering a range of attractions in a convenient and accessible setting. By enhancing experiences that promote relaxation and indulgence, the HOL area can attract more visitors while maintaining its reputation as a top destination.

Mosaic segmentation categorises the UK population based on employment, education, lifestyle, and other shared characteristics, helping to clarify local demographic profiles. In the HOL area, the top three Mosaic segments account for half of all visitors, highlighting the strong presence of working-age professionals.

Urban Cohesion

Includes suburban households, ranging from families to retirees, employed in both well-paid city roles and lower-wage jobs. They rely heavily on public transport and often have long commutes.

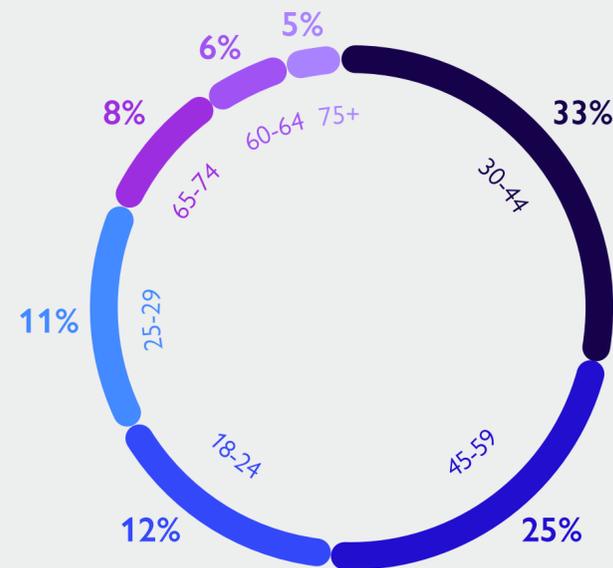
City Prosperity

Features high-status urban residents with demanding, high-profile roles earning £100k–£149,999, frequently commuting to central London by private transport.

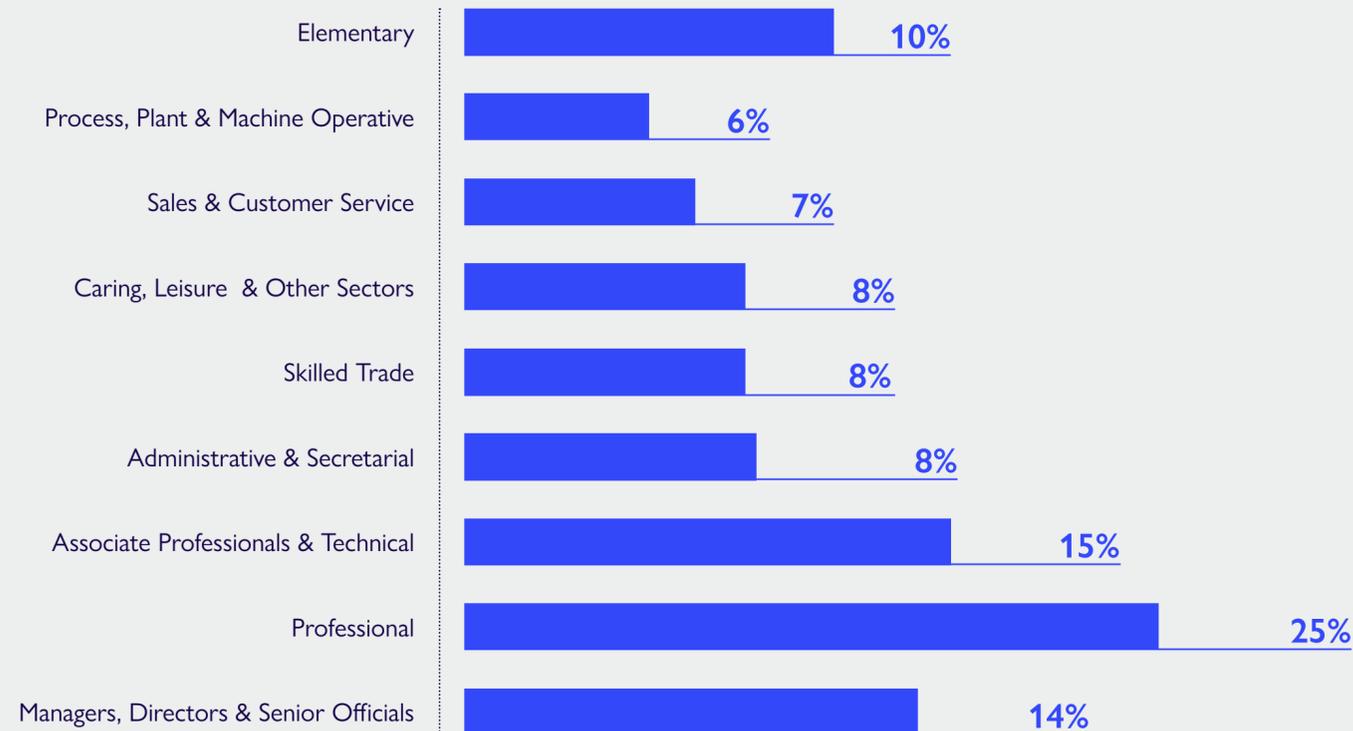
Rental hubs

Comprises young university graduates who started promising careers, earning £30k–£39,999, and living in privately rented accommodations near the city.

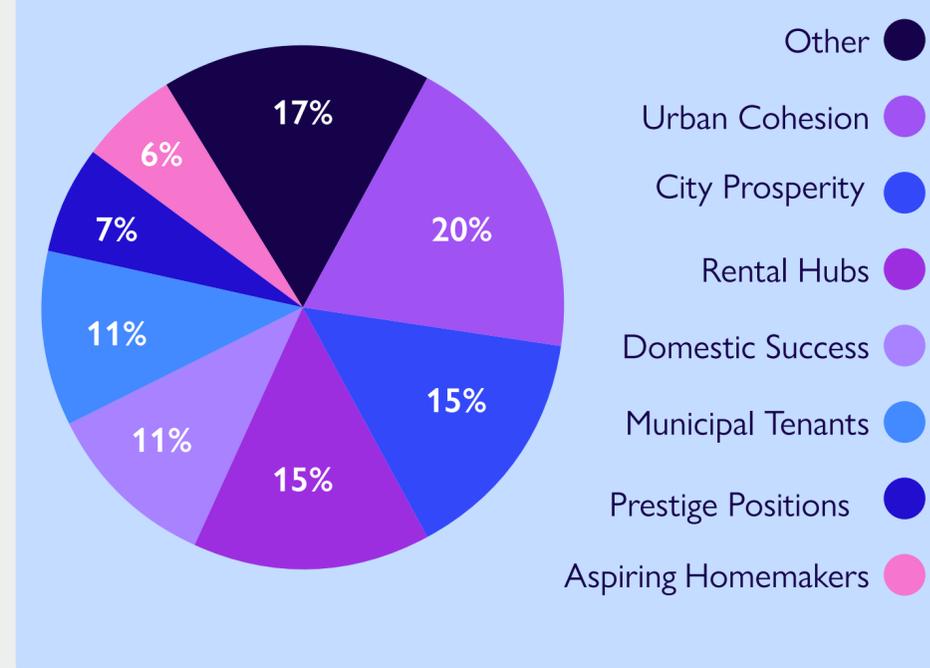
Age of Visitors



Occupation of Visitors



Mosaic Segmentation



CONSUMER SPEND

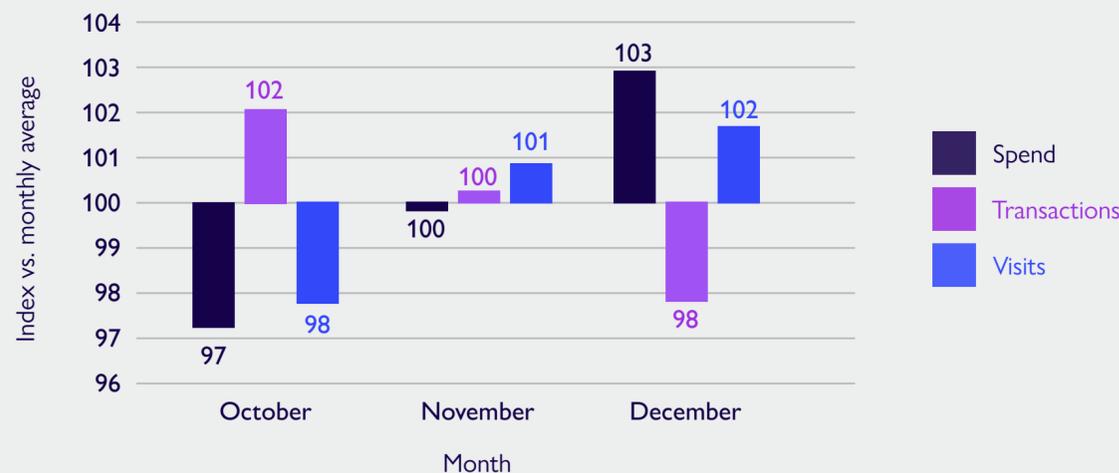
Between October and December 2024, consumer spending in the HOL area rose by 15% compared to the previous quarter, reflecting a vibrant festive season. Although transactions increased by just 1% and visits by 3%, the marked rise in overall spending indicates that consumers were opting for higher-value purchases.

Over this period, the consumer spend index advanced from 97 to 103, while visits rebounded to 102 after a mid-quarter dip. In contrast, the transaction index declined from 102 to 98, pointing to fewer but more substantial transactions. This suggests that shoppers, inspired by the festive atmosphere, were willing to spend more per visit—a trend that shows the enhanced consumer confidence and a focus on quality spending over sheer volume.

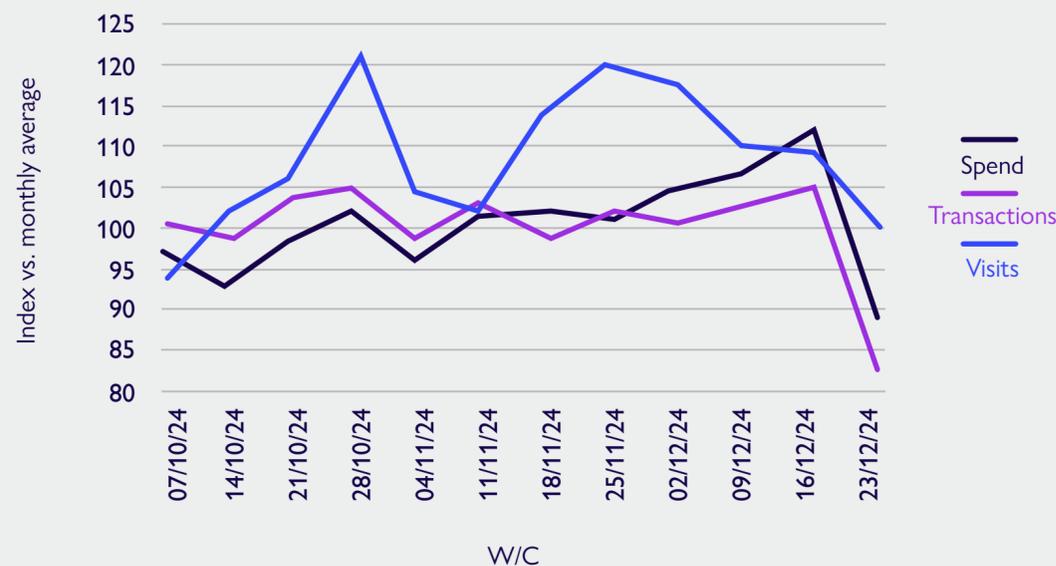
International spending remained relatively stable, moving from 100 in October to 99 in November and then recovering to 102 in December. Meanwhile, the international transaction index steadily climbed from 96 to 105, implying that while overall spending maintained a moderate pace, the frequency of transactions increased. This pattern likely reflects a shift toward more frequent, lower-value purchases among international visitors.

In November and December, while spending and transactions remained steady, visits fluctuated, dipping mid-November before recovering. December's third week saw peak figures for spend and transactions, but by week four, all indices had declined.

Monthly Spend, Transactions & Visits



Spend, Transactions, Visits Index



Quarter-on-Quarter Change

Spend

+15%
Increase

Visits

+3%
Increase

Transactions

+1%
Increase

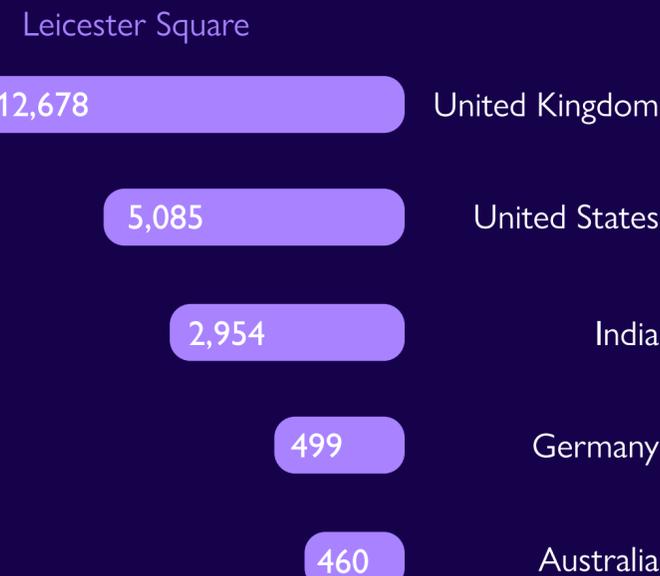
SOCIAL MEDIA

Social media data from Meltwater (October–December 2024) reveals strong online engagement for Piccadilly Circus and Leicester Square, two of London’s most iconic destinations. The HOL area sees consistently high engagement on the subjects of arts and entertainment, people and society, and news. This reflects the area’s global appeal as a cultural hub, tourist hotspot, and dynamic event space.

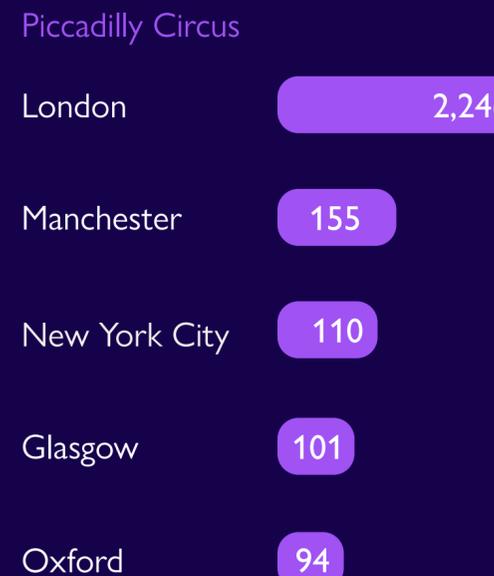
Piccadilly Circus recorded 33.7K social media mentions during the period, averaging 367 mentions per day. Conversations mainly focused on news, arts and entertainment, people and society, travel, and sensitive topics. Social media activity peaked during the festive season, driven by the high influx of tourists. The global appeal of Piccadilly Circus is evident, with significant engagement from users in the U.S., Canada, Australia, and South Korea, alongside the UK.

Leicester Square had even higher engagement, with 48.5K mentions and an average of 528 mentions per day. Topics of discussion included arts and entertainment, news, sensitive subjects and people & society. In addition to strong UK engagement, mentions came from the U.S., India, Germany, and Australia. Leicester Square hosted film premieres for Sonic the Hedgehog 3, Gladiator 2, Moana 2, and Mufasa: The Lion King attracting stars like Dwayne Johnson, Ben Schwartz, Jim Carrey and Keanu Reeves, driving social media buzz and fan interactions.

Top Mentions by Country



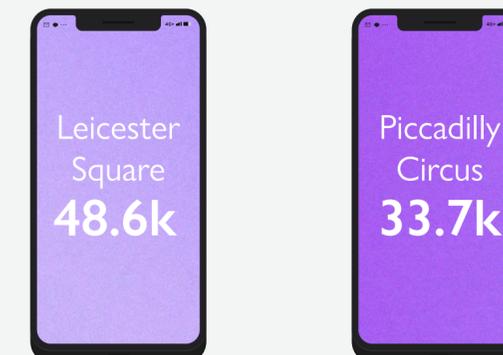
Top Mentions by City



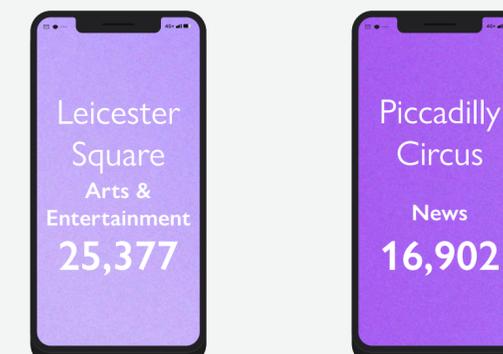
Average Daily Mentions



Mentions Over the Quarter



Top Topics



PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

We have rounded up the key announcements, publications and consultations that impact the HOL area into one digest.

Government

The Autumn Budget 2024



Chancellor of the Exchequer Rachel Reeves presented the Autumn Budget on 30 October – the first Budget from a Labour government in over 14 years. Described by the Institute of Fiscal Studies as the “most consequential” in over a decade, the Budget introduced substantial tax increases and capital investments, with significant implications for businesses across the HOL area.

The reduction in the business rates discount from 75% to 40%, capped at £110,000 for the retail, hospitality and leisure sector has a direct impact for the HOL area economy. This is coupled with a 6.7% increase in the minimum wage and a 1.2 percentage point rise in employer National Insurance contributions from April 2025, which will increase operational costs for businesses, potentially slowing hiring and growth in the short term.

Alcohol duties will rise in line with inflation, resulting in a 2.7% increase, though the 1.7% cut in draught duties will provide some relief for pubs and bars. A notable disappointment for the HOL area is the lack of commitment to reintroduce

tax-free shopping, which would have alleviated high luxury product costs for tourists and international buyers.

However, the Budget also introduces opportunities. £1.3bn funding for local authorities and planning reforms were announced to accelerate development, which supports the HOLBA's goal of fostering sustainable growth. The abolition of the non-dom tax status in April 2025, alongside new residence-based tax schemes and extended Repatriation Relief, is expected to attract inward investment, benefiting the HOL area's economy.

To tackle crime and rough sleeping, the Chancellor announced reforms to tackle low-value shoplifting and increased funding to fight organised retail crime, alongside £230m to address homelessness.

While immediate challenges exist, these measures underline the need for adaptability and resilience among HOL businesses, ensuring the area remains a vibrant hub for commerce and culture.

Read the full Budget [here](#).

Get Britain Working Whitepaper



On 26 November, the UK government unveiled the Get Britain Working White Paper, led by Work and Pensions Secretary, Liz Kendall. Backed by £240m of investment, it is the Government's first major attempt to achieve an 80% employment rate (currently 74.8%). The White paper proposes reforms intended to:

- Address the main causes of unemployment and inactivity.
- Improve the way the Department for Work and Pensions (DWP) supports people with health conditions who are looking for employment.
- Bridge gaps in the system left by the pandemic and austerity measures.
- Encourage economically inactive individuals to rejoin the workforce.

With more than 112,000 people employed in the HOL area, the White Paper is highly relevant as its emphasis on reducing economic inactivity, upskilling the workforce, and fostering inclusive employment aligns with the needs of the area's diverse business landscape.

Read the full report [here](#).

Mayoral Licensing Powers - HM Treasury, Rachel Reeves MP, Angela Raynor MP, Jonathan Reynolds MP



A proposed package of measures, co-announced by senior cabinet ministers and HM Treasury, would afford the Mayor of London new strategic licensing powers.

The government intends to work with the Greater London Authority to explore a pilot scheme, providing the Mayor of London the power to “call in” power over licensing applications. In effect, this would mean the Mayor of London could overrule licensing decisions made by borough council in areas of strategic importance, potentially resulting in more alfresco dining and later opening hours.

The proposed measures follow government engagement with key night-time industry representatives and police, with the aim of transforming the licensing system in a manner supporting businesses and unlocking growth.

Read the full announcement [here](#).

PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

Westminster City Council

Allies and Morrison LLP Awarded Urban Design and Public Realm Contract



Westminster City Council and The Crown Estate have awarded Allies and Morrison LLP a £1.6m contract to lead urban design and public realm improvements for Regent Street, Haymarket, and Piccadilly Circus.

The improvements are part of the Council's 'Future of Regent Street' programme, in collaboration with The Crown Estate, which aims to create a public realm underpinned by sustainability, inclusivity, and heritage.

The tender process, launched in June 2024, received 15 proposals from leading consultancies. Allies and Morrison emerged as the top bidder, recognised for their values-driven, inclusive design approach prioritising nature, people, and place to deliver transformative public realm enhancements.

Read the full announcement [here](#).



Westminster After Dark



Westminster City Council has launched its first ever Westminster After Dark Strategy and implementation plan to improve the city's evening and night-time environment. HOLBA was a key contributor to the preparation of this Strategy.

The strategy covers:

- Enhanced safety measures including expanded CCTV, better lighting and greater protections for women and vulnerable individuals
- Dedicated Late-Night Entertainment Zones to encourage new live music and entertainment venues to set up away from residential areas under new licensing framework
- Improved accessibility and more family friendly or non-alcoholic activities
- Support for LGBTQ+ venues
- Improved night-time public spaces with amenities and inclusive design to create a welcoming environment for all.

The draft strategy, now open for public consultation, sets out a roadmap to ensure Westminster remains a world-class destination between 6pm and 6am, balancing a thriving economy with the needs of residents, businesses, and visitors. It focuses on measures to improve safety, protecting women and addresses concerns around anti-social behaviour to ultimately enhance the experience after dark for residents and businesses.

Respond to the consultation [here](#).



PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

Westminster City Council

'It's Her City Too' Night Safety Programme,
Westminster City Council



Westminster City Council has launched the second phase of the 'It's Her City Too' campaign, aimed at tackling sexual street harassment. According to a recent survey, one in three women in Westminster has faced street harassment, and nearly half (45%) report feeling unsafe at night. This campaign encourages bystanders to step up and take action when they witness harassment to create safer streets for women. This initiative is part of the council's broader Night Safety Programme, which has already invested £290,000 to combat sexual harassment.

Key actions include Night Stars volunteers patrolling the West End, night safety walks, and training for businesses to achieve night safety accreditation. The council also encourages businesses, especially in the night-time economy, to become Safe Havens, offering secure spaces for vulnerable individuals.

Watch the video [here](#).



Public Toilet Refurbishment Plan,
Westminster City Council

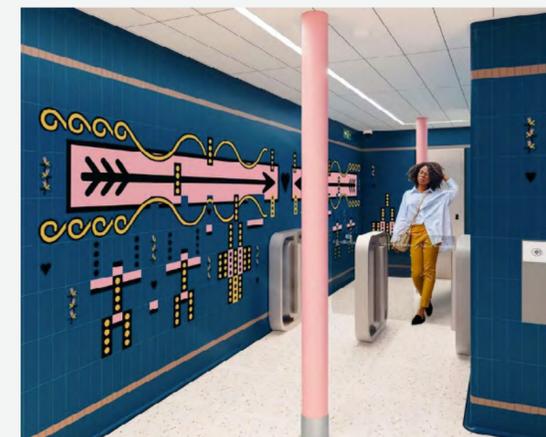


On World Toilet Day (19th November), Westminster City Council announced plans to refurbish eight central London public toilets.

The council has invested more than £6.5m this year to upgrade its public toilet facilities in the West End, with a further £6.2m proposed for the next financial year. Toilets within the HOL area, such as Piccadilly Circus and Green Park, will receive an extensive refurbishment in 2024/2025, with Leicester Square due to be upgraded the following year.

The project aims to create inclusive, high-quality facilities reflecting local histories, with designs by Hugh Broughton Architects and artwork by James Lambert. This initiative is reflective of WCC's dedication to enhancing the public realm and elevating the visitor experience in the West End which attracts significant footfall as a global tourist destination.

Read the full announcement [here](#).



PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

HOL Area

Net Zero Carbon Strategy and Action Plan, HOLBA



HOLBA launched its Net Zero Carbon Strategy and Action Plan supported by leading resource management company Veolia and Westminster City Council. The plan is designed to help both small and large businesses reduce their carbon footprint and achieve Westminster’s target to reach net zero by 2040.

The West End is home to high carbon emissions and air pollution, with commercial buildings contributing 76% of CO2 emissions, followed by road transport. The action plan, reviewed by Dr Rosa Schiano-Phan from the University of Westminster, focuses on four key areas: Buildings, Transport, Waste, and Supply Chain.

HOLBA offers tailored guidance and resources to support businesses in reducing their environmental impact. The strategy outlines how businesses can access expert advice, funding, energy assessments, and member discounts. It also provides practical information on adopting the circular economy and decarbonising operations.

Read the full plan [here](#).



London Pavilion Digital screens, Criterion Capital



Criterion Capital has secured planning permission to install two cutting-edge LED screens on the historic London Pavilion in Piccadilly Circus. This transformative project not only preserves the Grade II-listed façade, but also redefines the Pavilion as a gateway to Theatreland and a cultural landmark.

The screens will enhance Piccadilly Circus, a global hub attracting millions of visitors annually, by integrating modern digital innovation with historical legacy. The upper screen will feature public content such as safety messages and cultural celebrations, while the lower screen will balance public service with commercial vitality. A unique feature will display a photorealistic representation of the original Pavilion façade every half-hour, offering visitors an immersive experience into the building behind.

Criterion Capital’s long-term vision for the Pavilion includes further enhancements to elevate the Conservation Area, attract visitors, and drive economic activity while preserving the building’s cultural significance in the West End.

Read the full announcement [here](#).



METHODOLOGY

ONE

Undertook a desktop review of HOLBA and AND London's previous Real Estate Insights Reports. This enabled us to understand in detail the work undertaken to date and understand the current markets and trends.

TWO

Collected comprehensive data on real estate and sector performance KPIs through CoStar, Experian, and AND London's extensive commercial database, alongside gathering on-the-ground information from conversations with local agents.

THREE

Liaised with HOLBA's other data providers to collate, format, and manage data on area performance as well as relevant updates and intelligence from HOLBA's advocacy and business engagement teams.

FOUR

Carried out analysis to provide detailed insight into the HOL area with a particular focus on inward investment and identification of long-term trends.

FIVE

Monitored and reported on HOLBA's property owners' strategies; publications and announcements; relevant key industry reports and thought leadership; and topical deep dive and trend analysis.

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