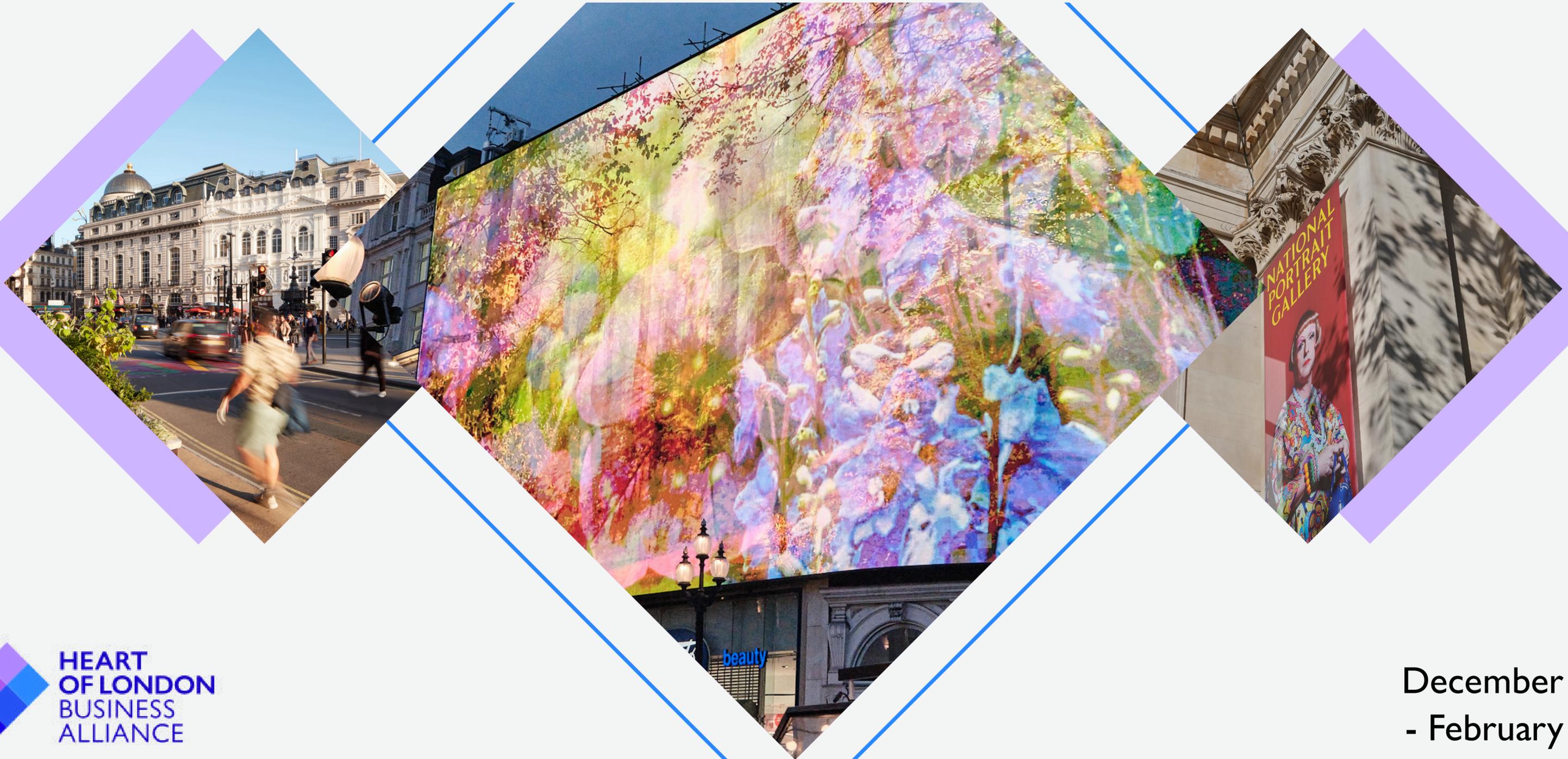


REAL ESTATE INSIGHTS



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FOREWORD

I am delighted to present the latest edition of our Real Estate Insights Report, offering an in-depth analysis of the evolving real-estate landscape in the Heart of London area.

This quarter brings forth several notable developments, with particular emphasis on the growing significance of eco-tourism. As consumer behaviour evolves, especially among younger generations, there's an increasing demand for sustainable travel experiences. Our report delves into this burgeoning trend, highlighting the opportunities it presents for our area.

While the Lucent building's full occupancy stands as a testament to the continued demand for premium grade A office space, it's essential that we not only meet this demand but also embrace sustainable practices in our developments. Our survey of the local business community underscored the value of collaborative work environments which is driving this need. Providing future-proofed spaces that integrate eco-friendly design principles and amenities aligns with our commitment to fostering a healthy and sustainable environment for both businesses and communities.

The investment market's resilience is evident, with significant deals like Criterion Capital's acquisition of Haymarket House signalling a resurgence of confidence. As investors seek to maximise returns while minimising environmental impact, we anticipate a shift towards more sustainable investment strategies, further bolstering our economic recovery.

Despite the challenges faced by the retail sector, we remain optimistic about the opportunities to enhance our district's offer. New developments provide avenues to introduce eco-conscious retail concepts, aligning with the growing consumer demand for environmentally friendly products and experiences.

Positive economic indicators, including increased consumer spend and footfall in this reporting period, provide a promising backdrop for our efforts to promote our distinct districts. Initiatives such as the Mayor's Friday off-peak transport scheme are poised to further support this and our sustainability goals by encouraging low-carbon travel options.

The tourism industry continues to thrive, presenting ample opportunities for growth in eco-tourism. Our insight into Eco Tourism and Hotels explores strategies to capitalize on this trend, ensuring that we remain at the forefront of sustainable tourism practices.

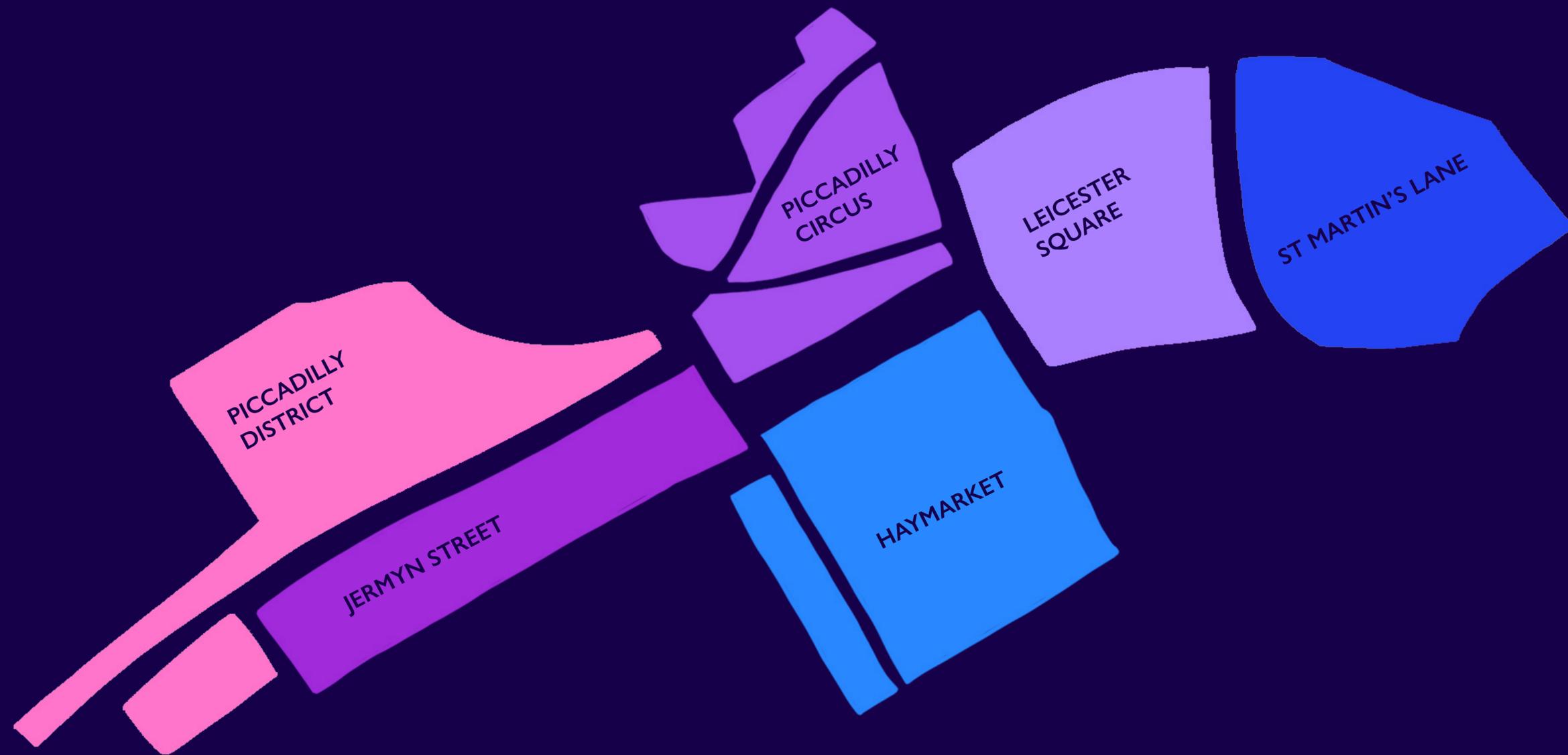
It's inspiring to see initiatives like The Londoner leading the way in meaningful eco-tourism efforts, setting a commendable example for the industry.

As you explore the contents of this report, I invite you to join us in embracing the opportunities presented by eco-tourism and working together to create a more sustainable future for the Heart of London area.

**Warm Regards,
Ros Morgan, Chief Executive**



INTRODUCTION



STUDY AREA

The Heart of London (HOL) area in the City of Westminster covers 39 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 Heart of London area is classified into six districts: St Martin's Lane, Leicester Square, Piccadilly Circus, Haymarket, Piccadilly District and Jermyn Street.

St Martin's Lane lies between Garrick Street and Charing Cross Road, bordering Covent Garden and Leicester Square. It connects major spots like Trafalgar Square, 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, bars, cafes, independent art and antique dealers, and offices.

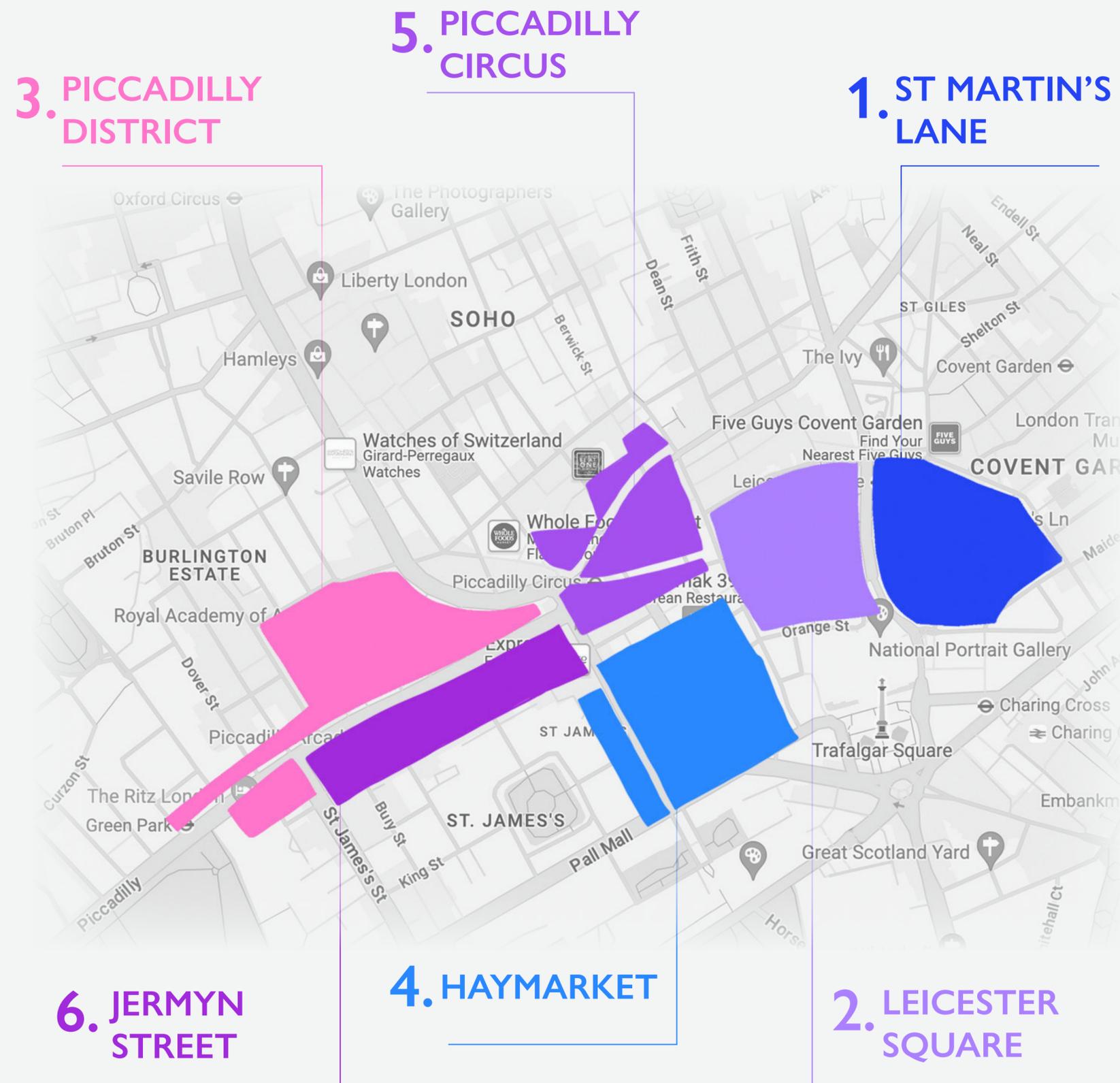
Leicester Square is the epicentre of London's cinema and entertainment industry. Located next to St Martin's, it is one of the most famous tourist destinations in London with a wide range of retail and leisure offers. Leicester Square has numerous cinemas, casinos, restaurants, and bars.

Piccadilly Circus is located at the heart of London next to Chinatown and Leicester Square. It is one of the most iconic areas in London, known for its famous Piccadilly lights, neon signs and the Anteros statue.

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.

The Piccadilly District lies between Piccadilly Circus and Stratton Street, near the Green Park underground station. It is viewed as one of London's primary shopping destinations, hosting world-renowned fashion brands. Fortnum and 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, the Jermyn Street area is located between St James's Street and Lower Regent Street. Jermyn Street is 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 skilled craftsmanship.



INTRODUCTION & PURPOSE

This Real Estate Insights report is designed to provide a detailed and insightful overview of key economic indicators for real estate in the HOL area. Each and every quarter, the reports will provide unique insight and analysis into the area's performance.

As well as the key market and demand data and insights for office, hotel and retail for both the leasing and investment markets. The report will provide analysis of the deals, explore the future pipeline of developments and offer local market insight into these key sectors from leading figures across the real estate industry.

In addition to this, we will provide insight and analysis into a range of important interrelated performance indicators including the initial results of our important study into working from home data of the HOLBA district business community, area footfall data and social media monitoring.

We will also gather all of the relevant important announcements and policy decisions that will impact the area and put this information into one place so you don't have to find it. The report will also include a deep dive insight into one of the areas key industry sectors to understand future trends and opportunities.

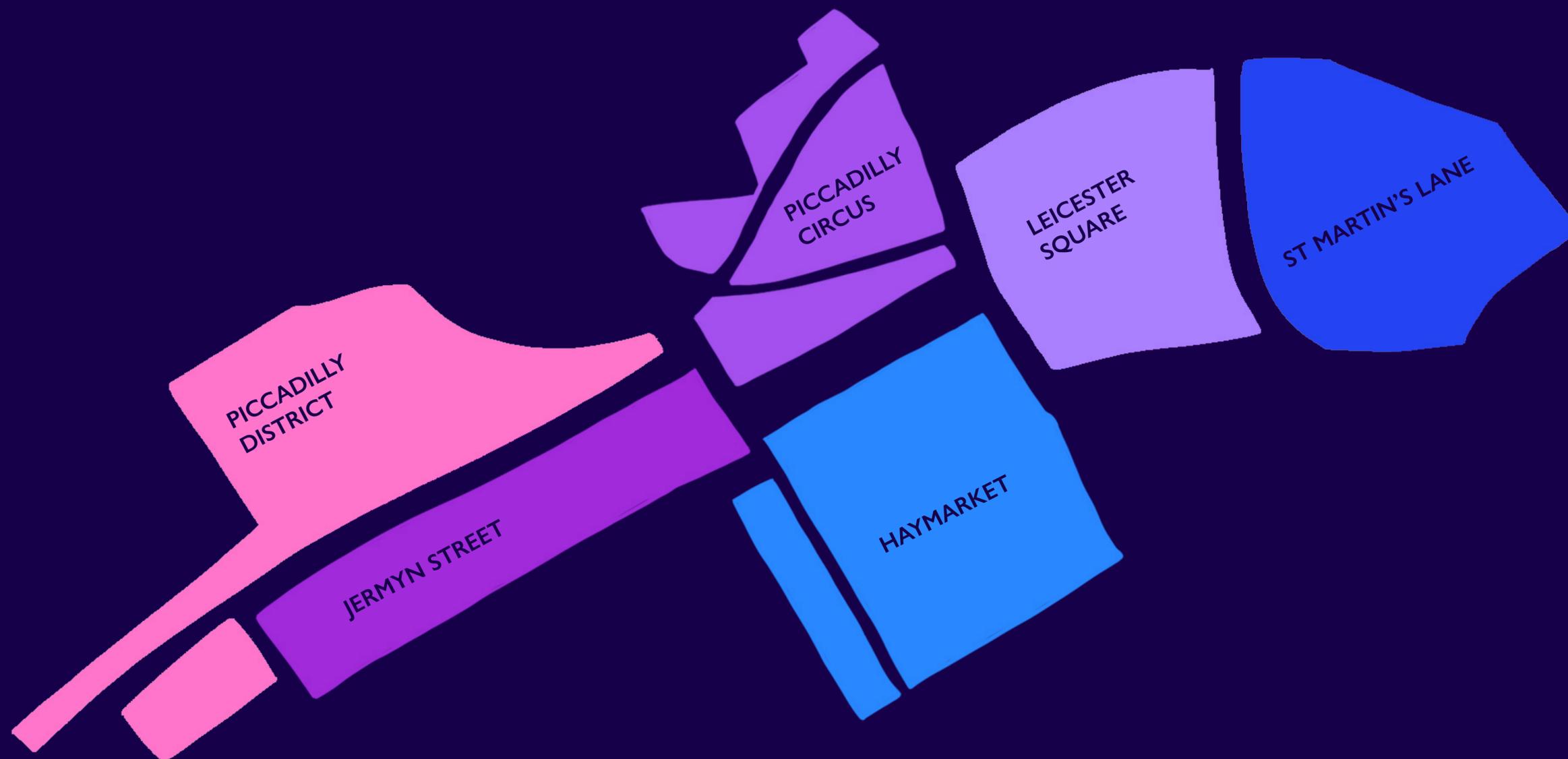
The report is designed for a range of key stakeholders with an interest in the HOLBA area to use as a reference point for data and insight.

Format: Online

Publishing: Quarterly



REAL ESTATE KPIs: OFFICE



OFFICE MARKET OVERVIEW

The office market overview focuses on all office properties located within the HOL area. We consider office demand against a mixed economic climate, with factors from employees being encouraged to return to the office, elevated build costs, and an impending General Election all coming into play. These factors will continue to have a profound impact on office demand over the short to medium-term.

We report on a range of market demand and supply factors specific to the HOL area and its office market in comparison to the wider West End, including availability, rental growth, leasing transactions, development activity, and construction supply to gauge the strength of demand in the market and its growth on a quarterly basis.



IN THE PIPELINE 37-43 Sackville Street

Aviva Investors Global Services are bringing forward the heritage led redevelopment of Nuffield and Pegasus House at 37-43 Sackville Street.

The scheme designed by architects Trehearne and Norman will deliver 113,723 sq ft employment led mixed-use development that includes 78,000 sq ft of office with large modern floor plates created by the amalgamation of the two buildings.

Along with the office space the scheme will include residential, retail, restaurant and flexible class E space. The scheme is due to complete in May 2025.

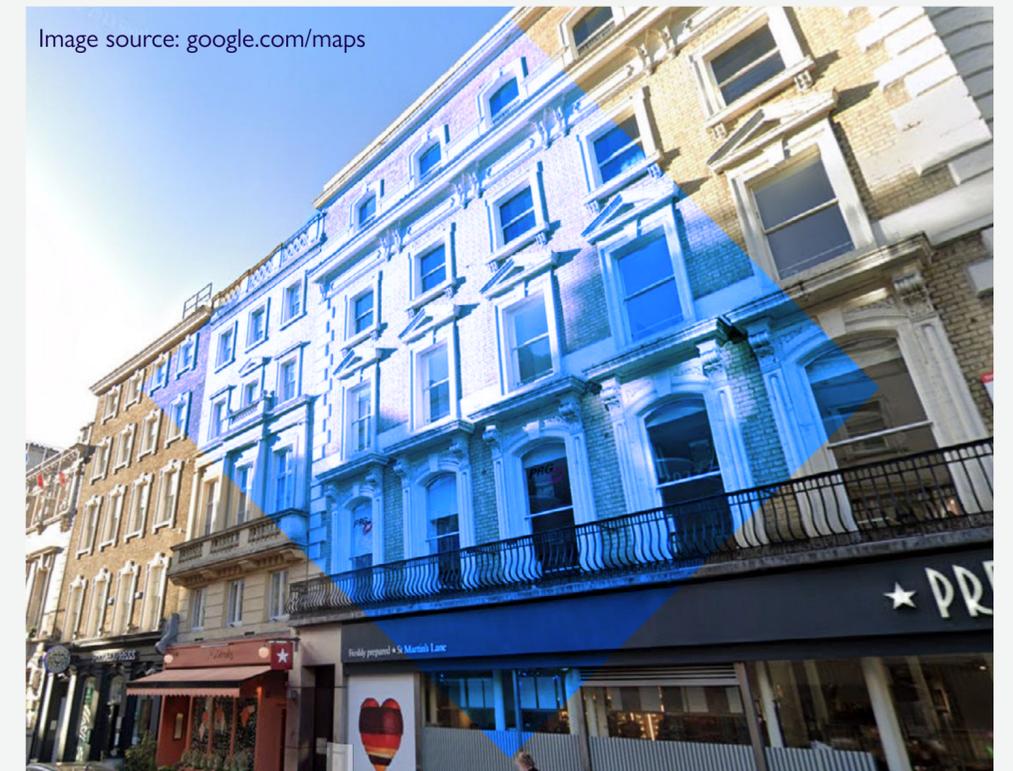
For further information, please visit the project [website](#).

INSIDE THE DEAL

77 -78 St. Martins Lane

The biggest deal of the quarter was the high-profile leasing of 25,000 sq ft of space in the Landsec Lucent Building in Piccadilly Circus to Verition Fund Management.

However, this time, we have featured one of a raft of smaller deals that formed the main body of transactions this quarter: At 77-78 St. Martins Lane, 2,875 sq ft of 1st floor office space was leased by Farebrother and Stage Real Estate to Essential Partners, a talent search and recruitment firm. The rent achieved was £77.50 psf on a 5 year FRI lease term, which was a 2.5% discount on the asking rent. The space was 4 star rated and on the market for ten months before the deal was signed.



MARKET OVERVIEW: OFFICE



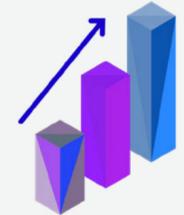
Total inventory (Sq Ft)	4.2m
No. of Buildings	171
No. of Transactions (QTD)	10
No. of Transactions (Last Year QTD)	26

Comparisons have been made to the end of Q1 2023



Market rent per Sq Ft
£79.79

Rental growth
1.5%



Under construction (Sq Ft)
172,421

No. of Years' supply on the market

0.7



Absorption (Sq Ft)
52,454



Vacancy rate

3.5%

Vacant Space (Sq Ft)

146K

Properties with available space

40

Availability rate

3.9%

West End overview reported combining relevant CoStar submarkets

West End Metrics

No. of Transactions (QTD)	84
Market Rent per Sq Ft	£81.72
Vacancy rate	7.7%
No. of Years' Supply on the Market	1.36
Rental Growth	1.6%

There is currently a total of 162,000 sq. ft of available office space which makes up 3.9% of the total office inventory in the HOL area. This marks a significant decrease in availability, which stood at 6.3% at the end of Q1 2023 and is the lowest office availability since CoStar records began in 2005.

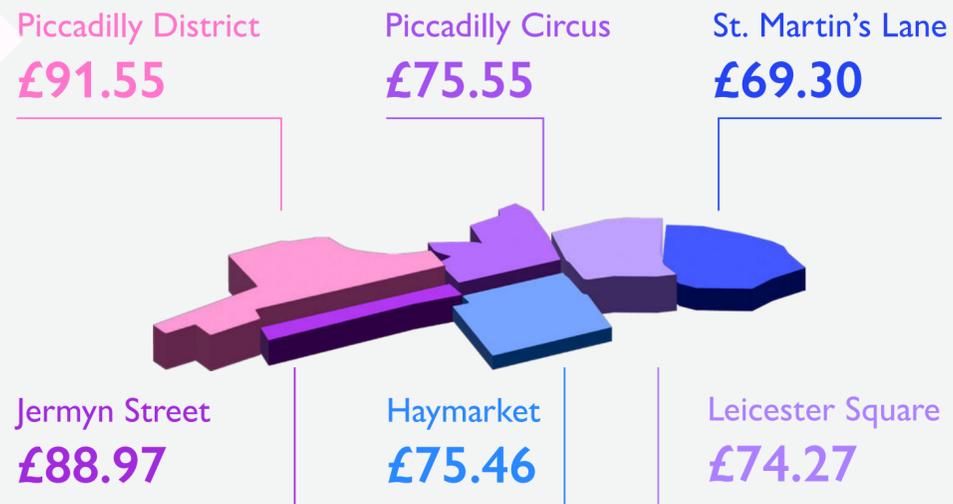
The HOL area remains in high demand given increasingly limited availability. There are just 40 properties with available floor space representing just 0.7 years of supply in the market at current take-up rates. Market rent per sq. ft is currently £79.79, slightly lower than the £81.72 per sq. ft for the West End as a whole. Rental growth is currently 1.5%, in line with the West End average.

There were 10 leasing deals between 1st December 2023 and 29th February 2024, with a total of 52,454 sq. ft transacted. The ten spaces spent an average of 22 months on the market. Almost half of the total floorspace leased was one transaction with Verition Fund Management taking 25,543 sq. ft in Landsec's new Lucent W1 development at 1 Sherwood Street.

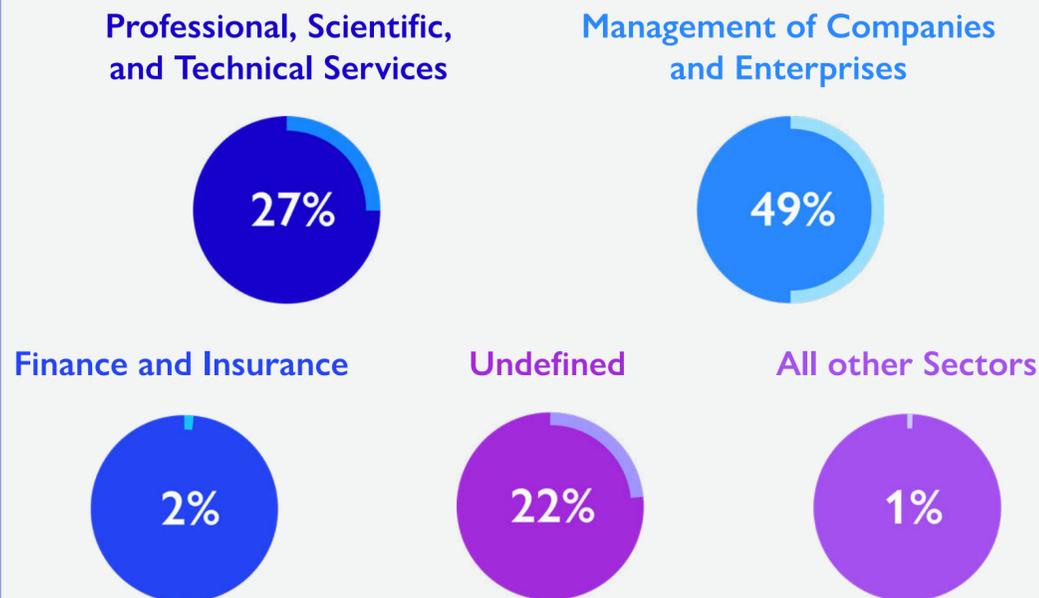
Footnote: Latest available data between 1st December 2023 and 29th February 2024

DISTRICT-LEVEL ANALYSIS: OFFICE

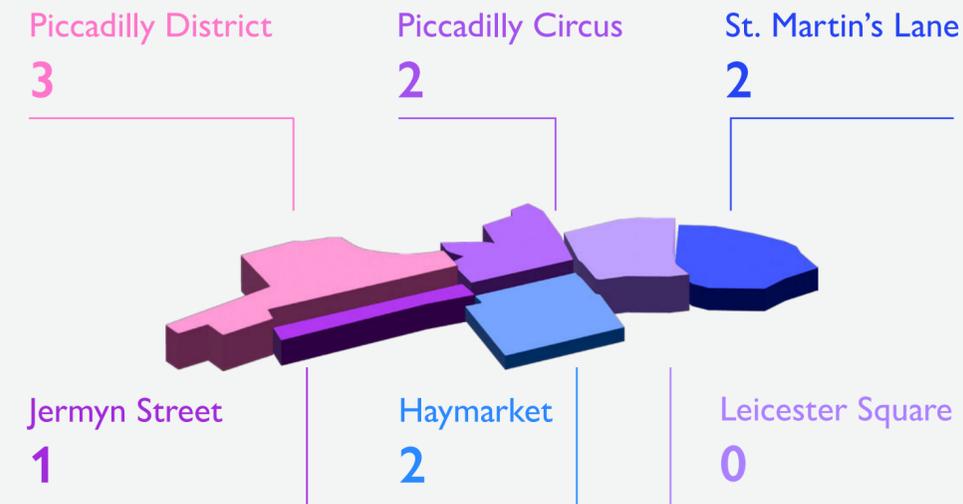
Market Rent Per Sq Ft



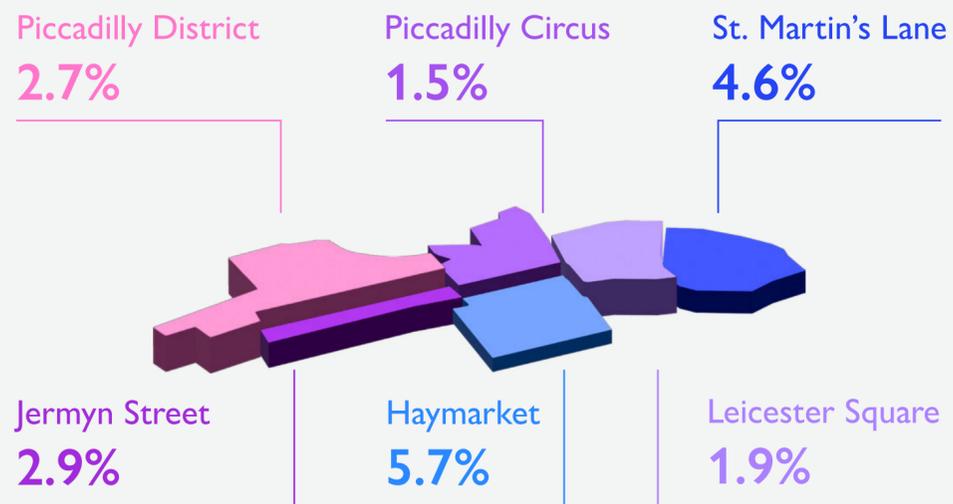
Recent Transactions by Tenant Industry



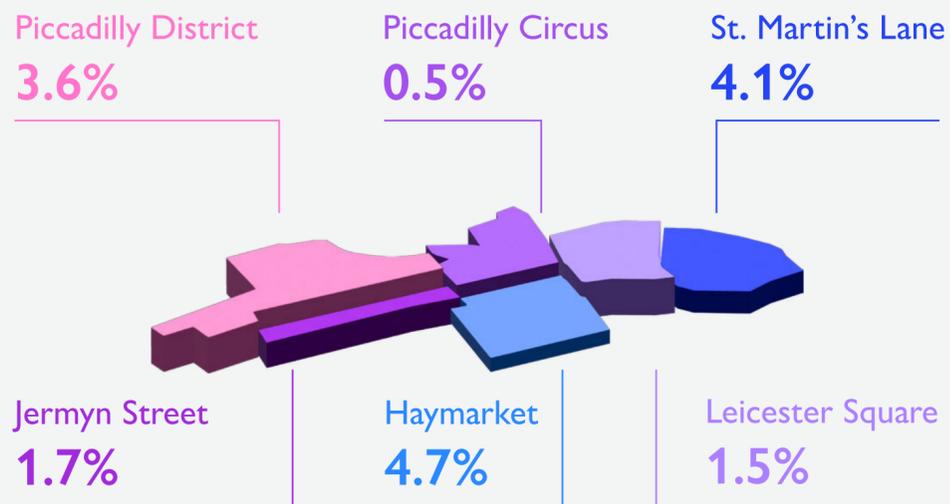
No. of Transactions



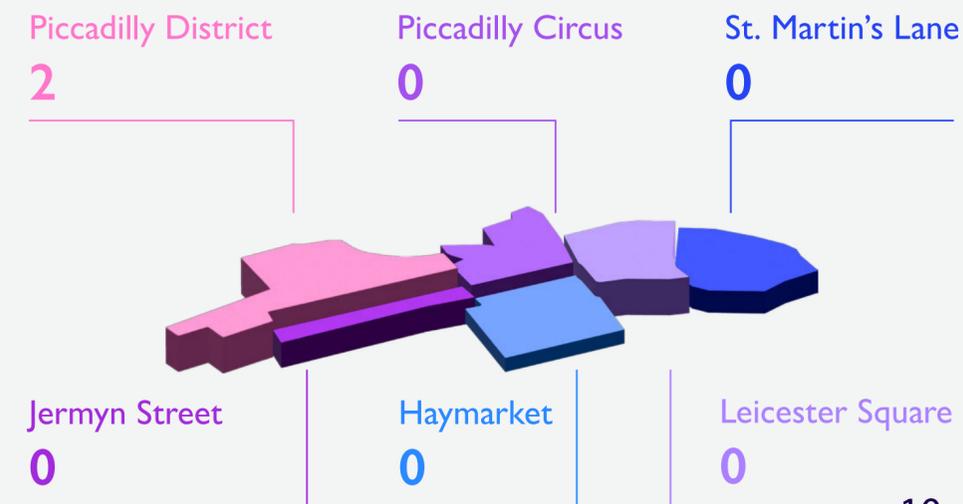
Availability Rate



Vacancy Rate



Pipeline



BEHIND THE FAÇADE

LUCENT LONDON

ONE SHERWOOD STREET

Market Value: £200 Million

Status: Fully Let

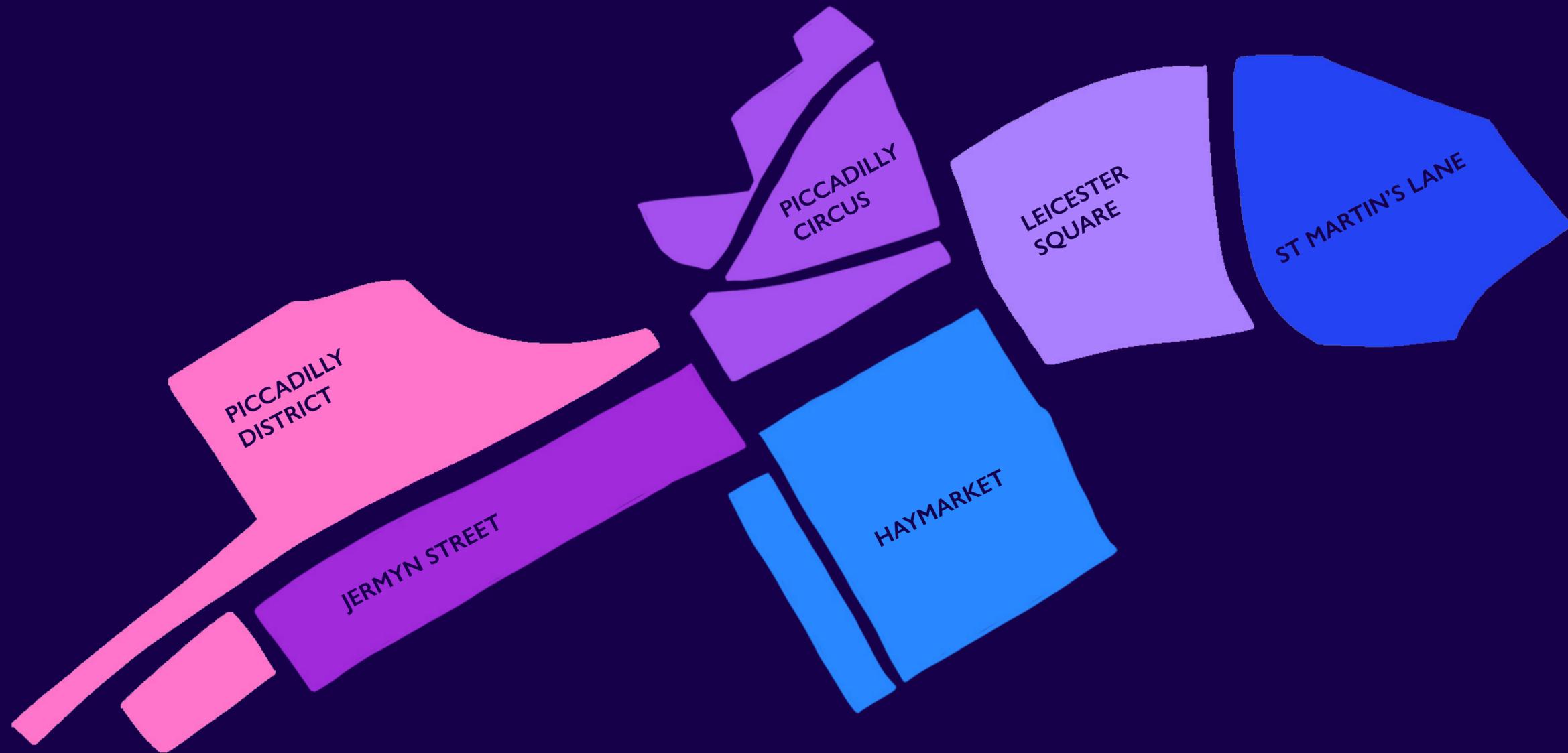
Landsec's Lucent scheme is leading the charge in the premium office market in Piccadilly Circus with this important new building which offers a range of innovative spaces and tenures designed to promote a healthy and highly productive working environment. Designed by leading architects Fletcher Priest, Lucent consolidates 13 unique buildings, behind London's most famous and important billboard, into a mixed-use development. It contains 111,000 sq ft of prime CAT A office space and offers 30,000 sq ft of new retail and leisure space which includes London's hottest new pub, The Devonshire.

The building features an array of amenities including lounges, 20 outdoor terraces, over 600 plants, containing 200 different species of wildlife and a dramatic atrium with a three storey green wall to ensure that biodiversity is at the heart of this building and the worker experience. The scheme attained a BREEAM 'Outstanding' rating as well as WELL gold standard and NABERS 4.5*. This is achieved through 100% renewable electricity powering the building, as well as the use of air source heat pumps, leading to an EPC B rating.

The scheme evidences the continued occupier demand for best in class, premium office space in the West End and has performed above initial expectations as competition for space continues to rise. The building was successfully 77% pre-let and will also host Myo, Landsec's flexible office brand which will launch in late spring 2024 and provides tailored, high-quality spaces on flexible leasing terms. In this quarter, the final office floor of 25,000 sq ft was leased to Verition Fund Management. Other tenants include Centreview Partners and the mix is expected to broaden when the Myo flex offer opens at the end of Spring.



REAL ESTATE KPIs: RETAIL



RETAIL MARKET OVERVIEW

The study analysed a range of market demand and supply factors including availability, rental growth, leasing transactions, development activity, and future supply to gauge the strength of demand in the local retail market and its growth on a quarterly basis.

The retail market overview examined the full retail inventory within the HOL area. The retail landscape continues to suffer from tough economic conditions for retailers with ongoing cost of living concerns of consumers. Retailers continuing to wrestle with how to adapt to changing consumer trends and behaviour. The continued uncertainty around political direction on tax-free shopping for tourists all playing a role. These influences continue to have significant impact on business sentiment and the subsequent demand for new space. Whilst there was no reported leasing activity in the quarter, this is balanced by the very limited stock available particularly in prime locations. New stock will come to market shortly which will temporarily increase vacancy in the next quarter onwards but should lease relatively quickly.



Camilla Topham

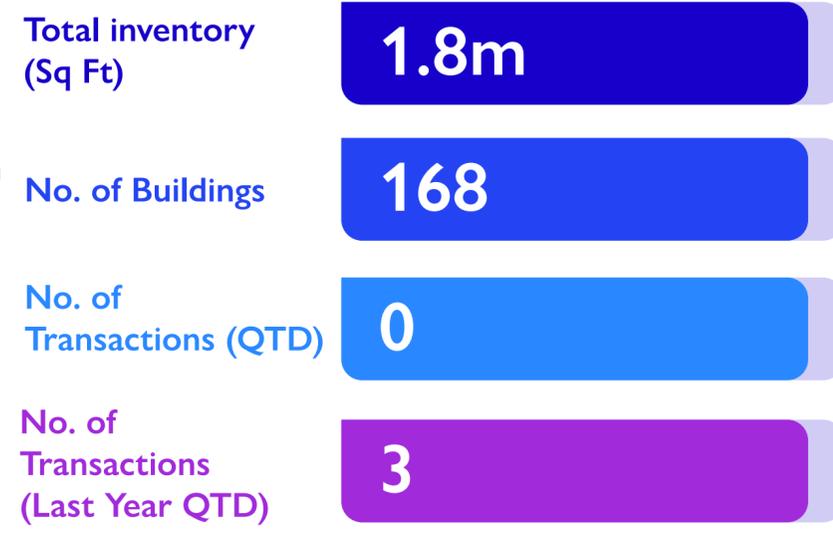
MARKET INSIGHT Distrkt.

The West End is one of the most vibrant dining districts in the world and there remains significant demand from both domestic and international operators for new space despite challenges facing the sector. Funding remains challenging however appetite for the hospitality sector has improved recently and we expect to see a positive impact of this in the second half of the year.

There remains a lack of stock particularly for larger floorplates and character buildings which is resulting in competitive bidding situations for prime sites. Key Landlords in the area are working strategically using F&B to drive placemaking where historically retail has positioned schemes. The success of The Devonshire pub, is a key example of this and its success will undoubtedly drive lettings in the Lucent and the immediate vicinity.



MARKET OVERVIEW: RETAIL

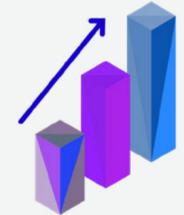


Comparisons have been made to the end of Q1 2023



Market rent per Sq Ft
£96.96

Rental growth
-0.2%



Under construction (Sq Ft)
2,000

No. of Years' supply on the market
3.78



Absorption (Sq Ft)
0



Vacancy rate
3.0%

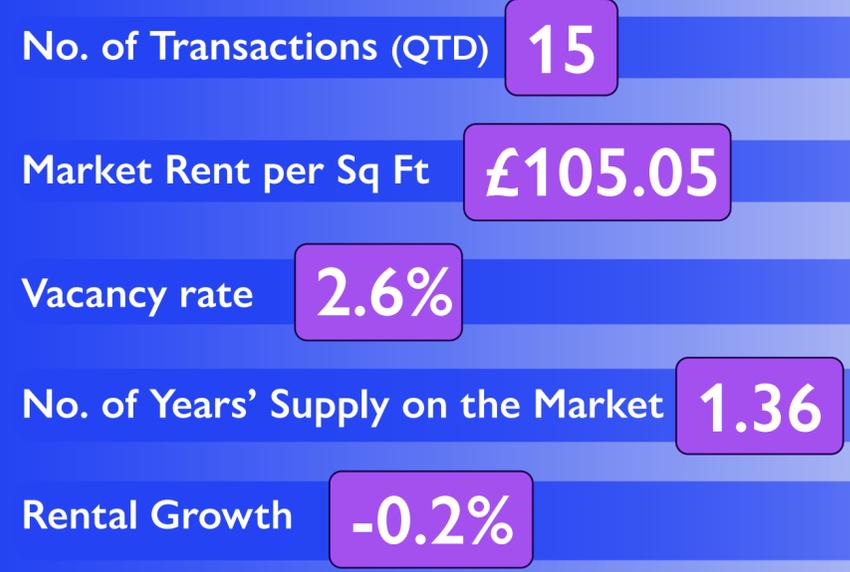
Vacant Space (Sq Ft)
55.5K

Properties with available space
8

Availability rate
3.0%

West End overview reported combining relevant CoStar submarkets

West End Metrics



There is currently a total of 55,500 sq. ft. available retail space which makes up 3.0% of the total retail inventory in the HOL area. This marks a decrease in availability, which stood at 3.6% at the end of Q1 2023. This shows the HOL area is in high demand given increasingly limited available space for potential occupiers. This is also the case in comparison to the wider West End, where retail availability is 2.6%, in line with the HOL area. There are just 8 properties with available space representing 3.8 years of supply on the market at current take-up rates. Market rent per sq. ft. is currently £96.96, lower than the £105.05 per sq. ft. average for the West End as a whole. It has declined at -0.2%, the same as the West End average.

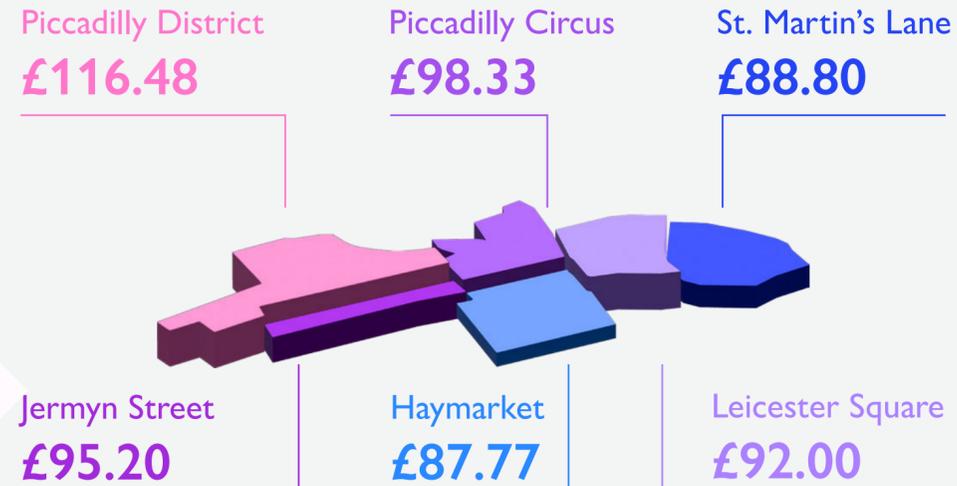
Leicester Square Space

There were no leasing deals reported between December 2023 and February 2024. There is currently one retail property under construction at 1-4 Bear Street and 47-48 Cranbourn Street. The site is located on a triangular plot at the intersection of Bear Street and Cranbourn Street and occupies a notable 'wedge' shape. The development will provide 2,000 sq. ft. of retail floorspace and is due for delivery in September 2024.

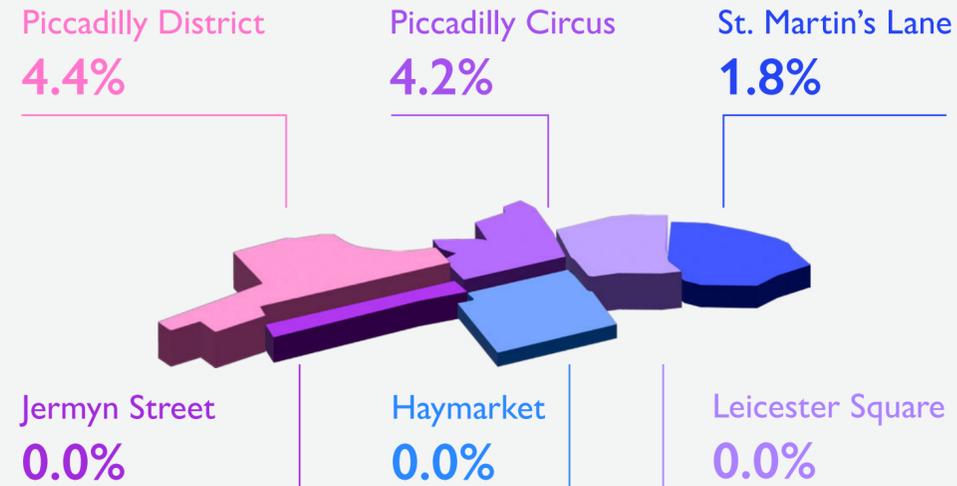
Footnote: Latest available data as of February 2024.

DISTRICT-LEVEL ANALYSIS: RETAIL

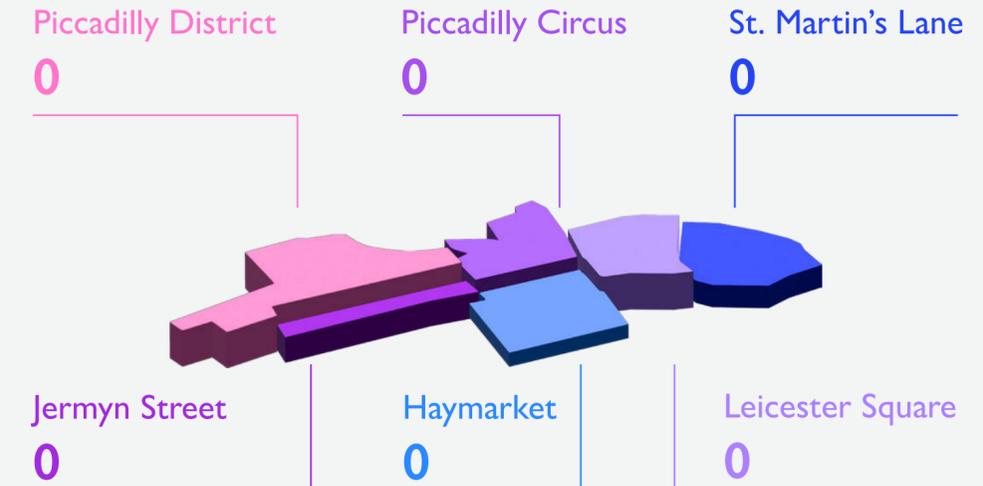
Market Rent Per Sq Ft



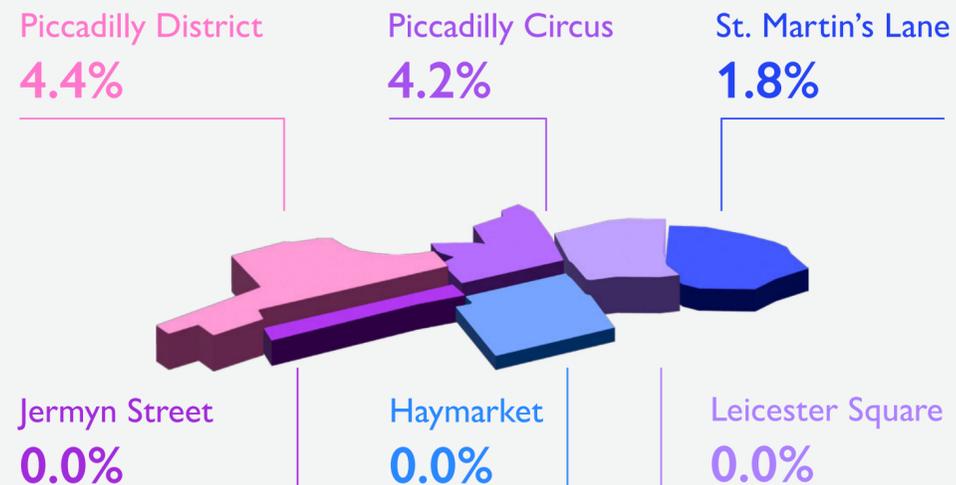
Vacancy Rate



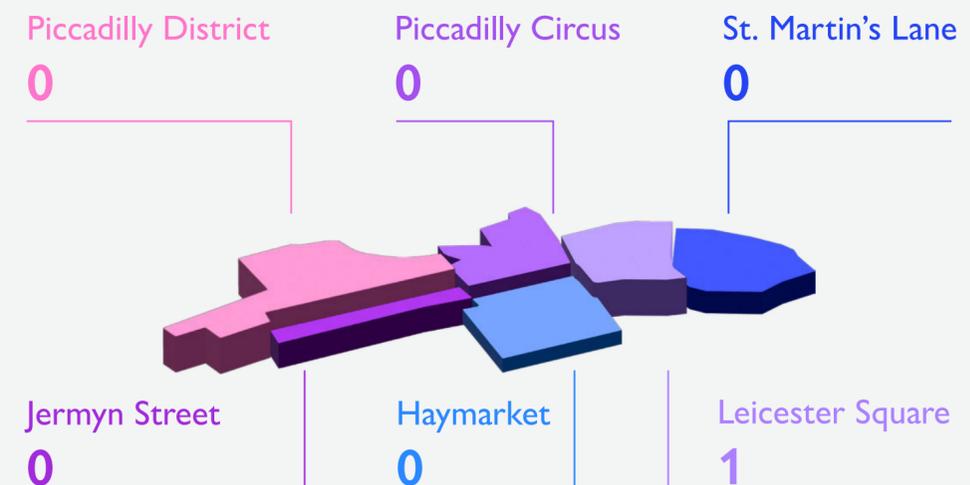
No. of Transactions



Availability Rate



Pipeline



INVESTMENTS

A positive quarter for the investment market with deals in all sectors.

There have been 4 confirmed investment deals this quarter. One of the biggest in the West End over the quarter involved major HOL area landowner Criterion Capital who bought Haymarket House for circa £135 million from Federated Hermes and CPPIB. The building comprises of vacant offices along with ground floor retail and leisure uses and is located across Haymarket, Coventry Street and Oxendon Street. Savills was the listing agent and Knight Frank advised Criterion. The vacant upper floors will become a hotel, and retail and leisure uses will remain on the lower floors.

33 Sackville Street a 3,200 sq ft office building built in 1789 sold for £6.5 million. The building was purchased by an owner / occupier and the sale was advised by Savills.

The Radisson Blue Edwardian Hampshire at 31 to 36 Leicester Square was sold as part of a portfolio of 10 hotels bought by Starwood Capital Group from the Edwardian Group for an undisclosed sum via an off-market transaction.

3 to 5 Wardour Street a 9,251 sq ft office building was sold for £9,850,000 of a yield of 6.31% to an undisclosed buyer.



Mark Shipman

MARKET INSIGHT

michael elliot

The market is more active this year as there is a common belief that interest rates have peaked and the market is off the bottom as can be evidenced by the transactions in the HOL area in the last quarter.

Office letting market for new and refurbished Grade A is performing well as has been seen with Landsec's Lucent building and just off the HOL area in Pall Mall and St James. We are still seeing a shortage of prime commercial properties in the HOL area as the market is perceived to present good buying opportunities.

The big scheme to watch is WCC selling Huguenot House, Whitcomb Street, Leicester Square a 0.36 acre site with planning permission.

202,752 sq ft

Sq ft transacted

£150,000,000+

Total Value

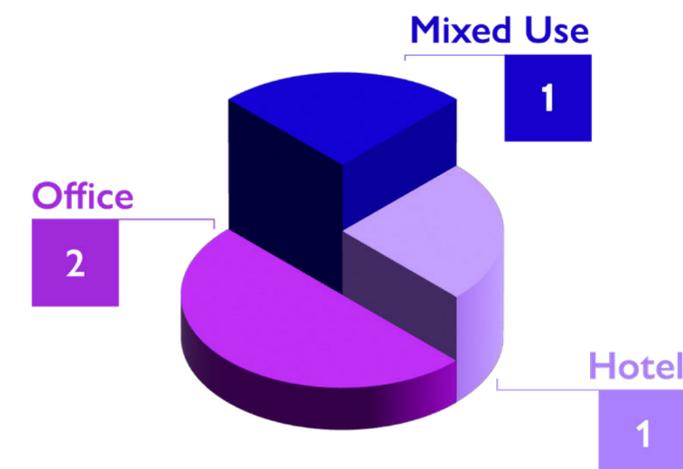
£1,050

Average price per sq ft - c.a.

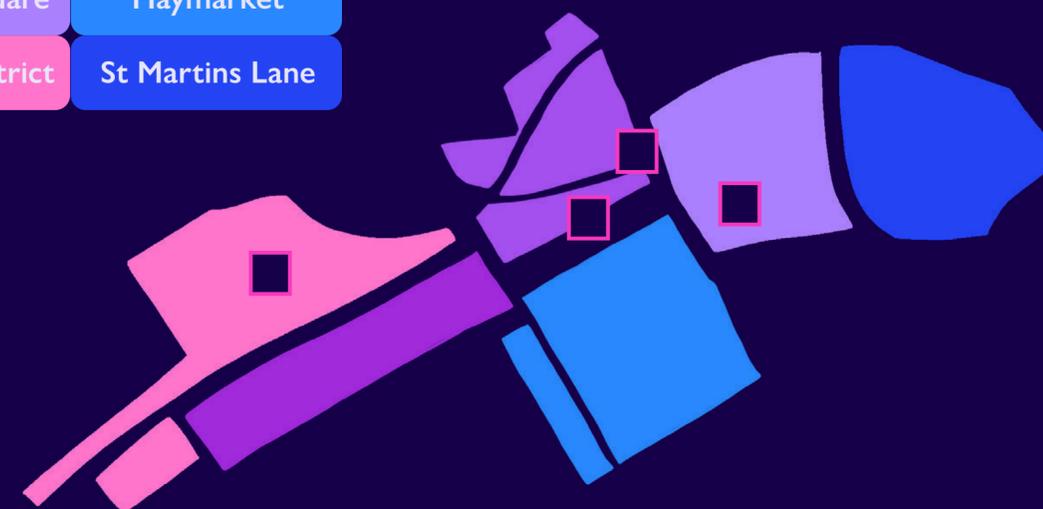
123,122 sq ft

Largest Transaction

USE CLASSES

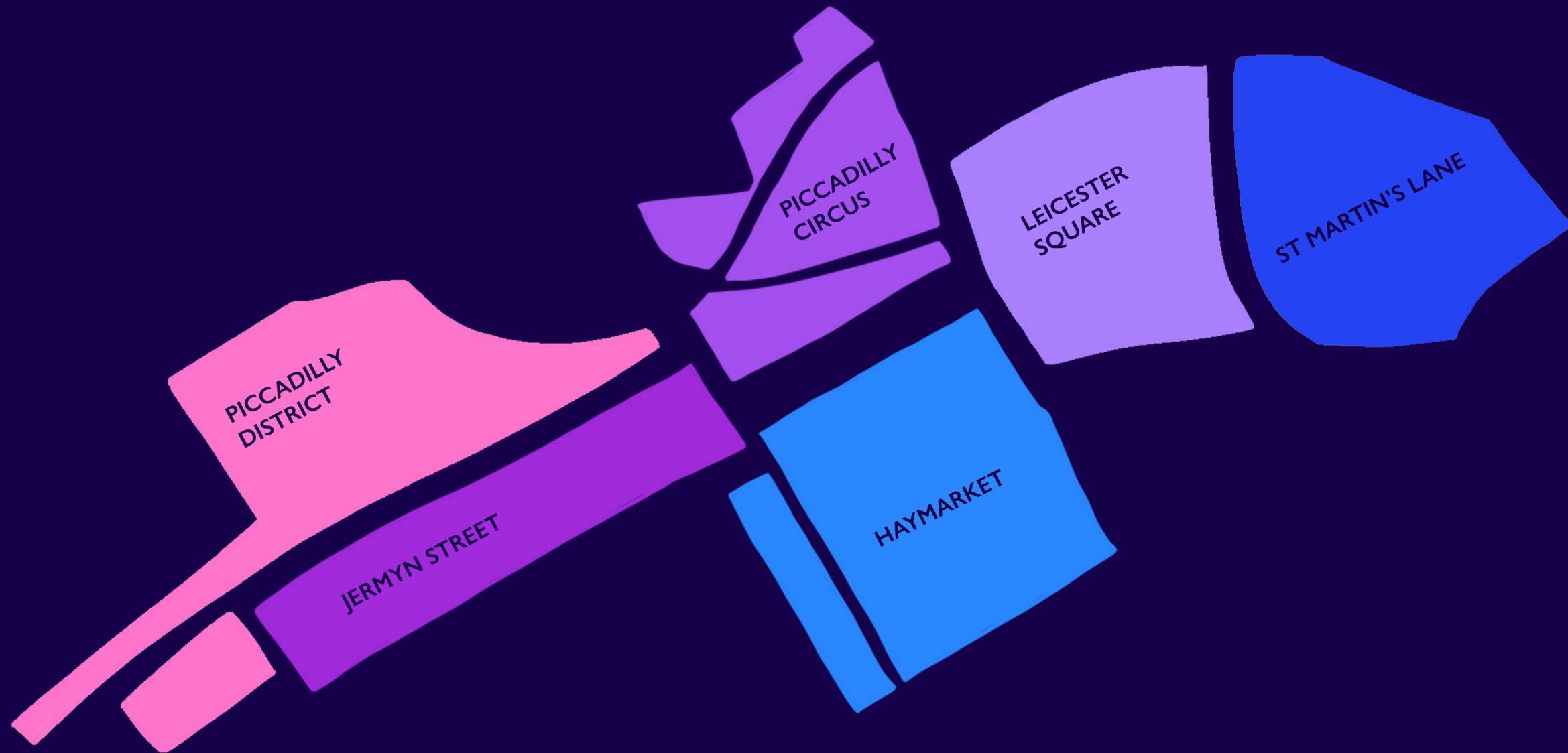


- Piccadilly Circus
- Jermyn Street
- Leicester Square
- Haymarket
- Piccadilly District
- St Martins Lane



Completed Sale

REAL ESTATE KPIs: HOTEL



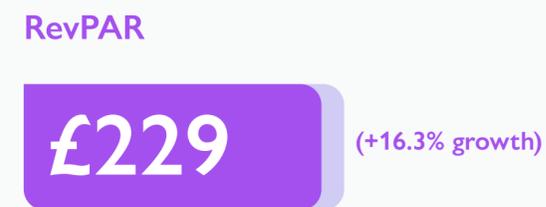
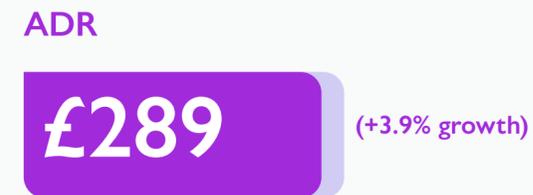
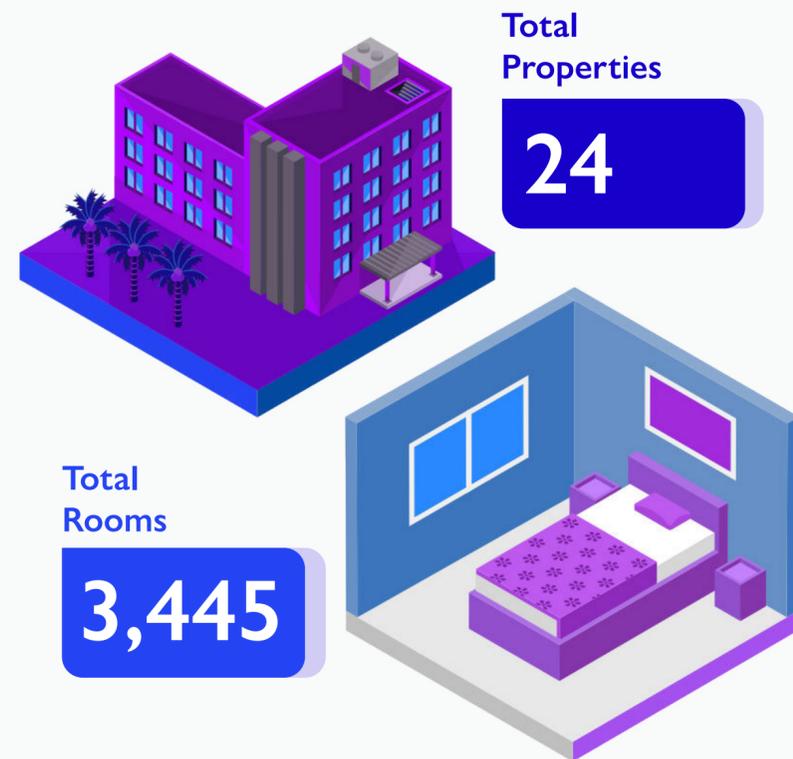
HOTEL MARKET OVERVIEW

The hotel market overview looks at a range of market demand metrics and supply factors specific to the HOL area and its hotel market in comparison to the wider West End, including occupancy growth, ADR growth, RevPAR growth, development activity, and construction supply. The aim of this approach is to gauge the strength of demand in the local hotel market and its growth on a quarterly basis.

The hotel market has been turbulent, with the post-pandemic recovery leading to growing demand in the HOL area, mixed with the strength of the UK staycation market and increasing levels of business travel. However, this has been coupled with inflation and an economy in recession, higher costs of living and reduced consumer confidence, and a fading of the 'revenge travel' bounce that led to a surge in demand shortly after Covid. Hoteliers themselves also face increasing cost pressures, with the minimum wage to increase by 10% in the immediate future from April 2024. Nevertheless, the hotel market in the HOL area goes from strength to strength, and the outlook is for increasing growth and demand in the area throughout 2024.



VACANCY, REVPAR & ADR



There are currently 3,445 hotel rooms in the HOL area with an occupancy rate of 79.4%. This marks a significant increase in occupancy levels, which stood at 71.0% at the end of 2022 and is the highest occupancy rate since before the pandemic when it peaked at 82.3% in February 2020. This growth evidences that the HOL area remains in high demand with increasingly limited availability. ADR and RevPAR have both risen in line with occupancy, with ADR increasing 3.9% and RevPAR increasing 16.3%, and currently stand at £289 and £229, respectively. These reflect the average revenue earned for an occupied room and the ability of a hotel to fill its available rooms. The HOL area performance is driven by the continued resilience of the luxury hotel sector. The HOL area is operating in line with the wider West End average.

As a result, demand for hotel accommodation is expected to continue to grow throughout 2024, a continuation of existing trends and the post-pandemic recovery. RevPAR for luxury hotels in particular has skyrocketed and is now £300, almost 20% higher than at the end of 2022. It far exceeds the HOL area average of £229 and is more than double the RevPAR for upscale, midscale, and economy hotels. This makes luxury hotels in the HOL area the strongest performers compared to all other hotel types in RevPAR terms. Consistently high occupancy will mean that luxury hotels will continue to be lead performers throughout 2024.

There is currently one new hotel property under construction, as part of Criterion Capital's conversion of office space at 1 Jer-myn Street to The Criterion Hotel. The site occupies a well-known position between Haymarket and Regent Street.

HOTEL SPOTLIGHT Criterion Capital

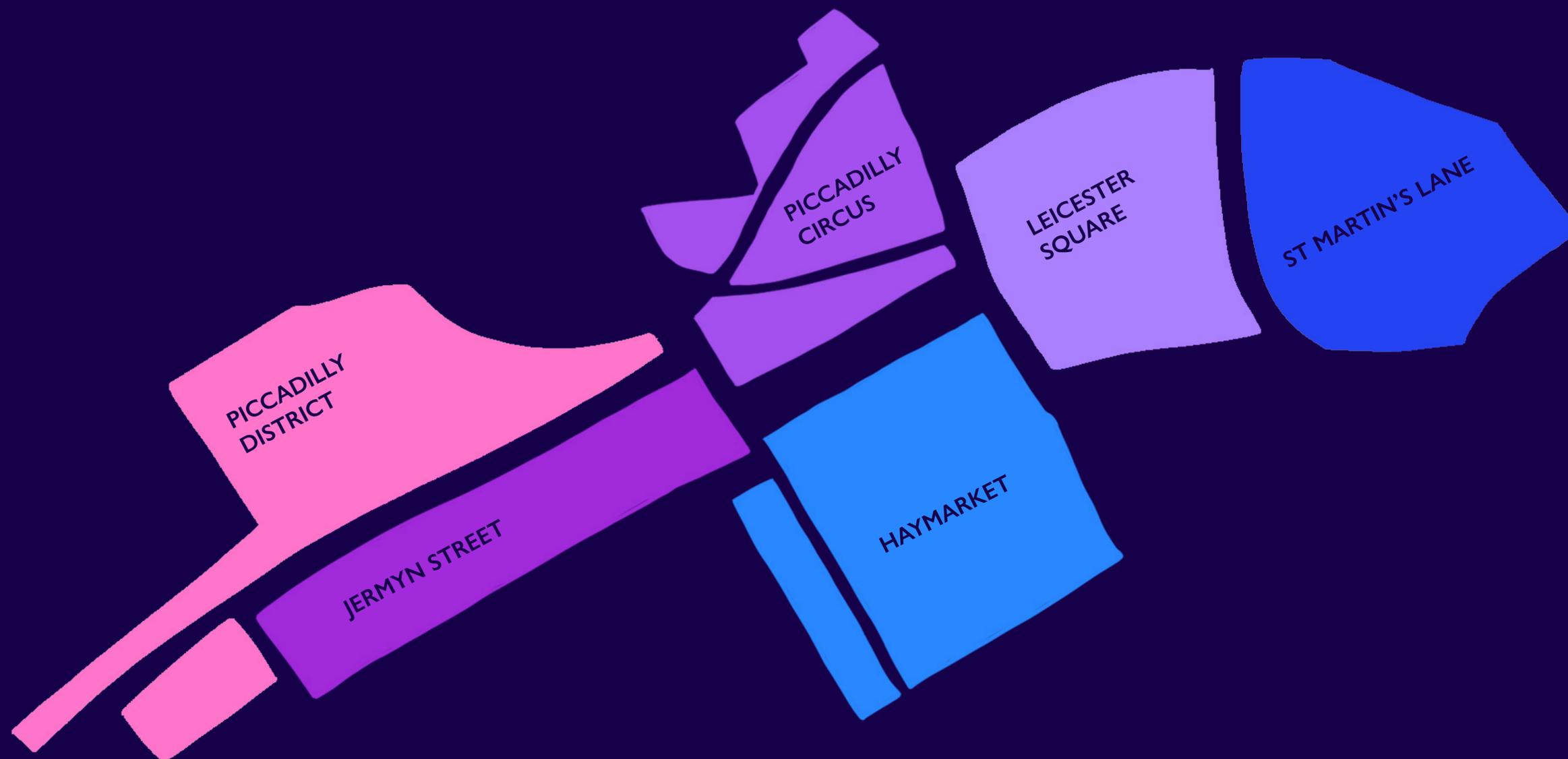
Criterion Capital are seeking conversion to hotel use following their £135 million purchase of Haymarket House at 1 Oxendon Street. The office space across the upper floors will be a hotel offering in order to accommodate rising demand for hotel space in London.

Footnote: Latest available data as of February 2024.



Disclaimer: Hotel Occupancy, Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) for these properties are comprised of a Weighted Submarket Average. Each hotel in the set is given the performance of the industry segment and weighted by its own rooms supply. This ensures a representative view of the selected hotels' performance while protecting the confidentiality of individual hotel data, while also allowing for grouping of any set of hotels without restriction. All other non-confidential measures are reflective of the exact property set selected.

INSIGHTS



WORKING FROM HOME DATA

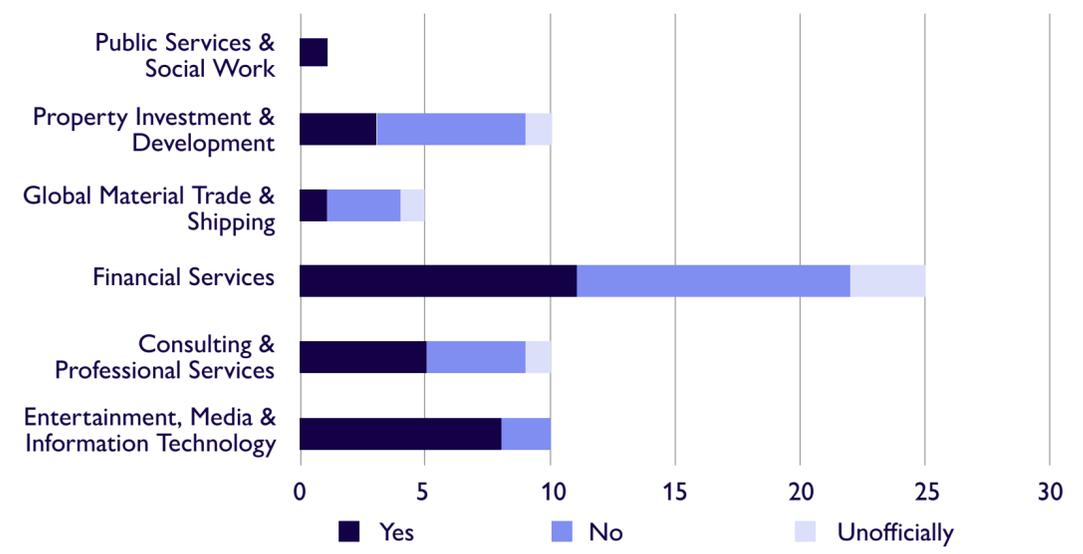
HOLBA is undertaking a major business study to understand the office and working from home habits of businesses within the area.

The study has seen us approach 668 businesses and generate a response rate of 9.1% of the businesses which is a sample size of 5.4% of all office based businesses located within the district.

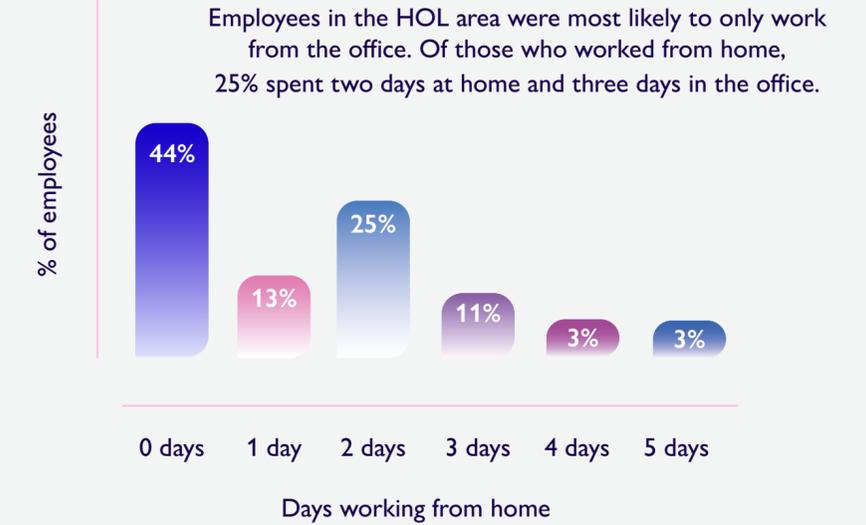
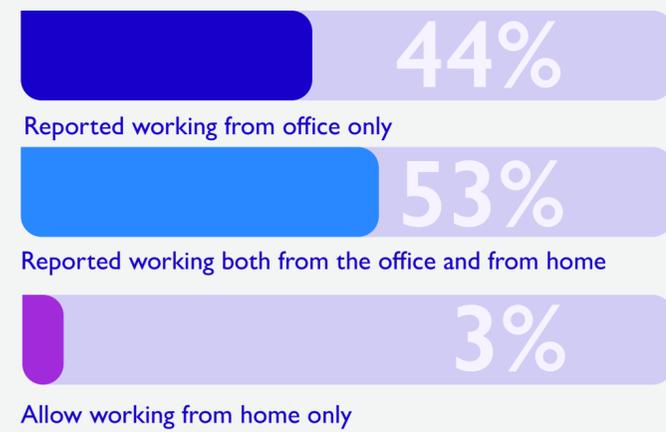
We are keen to continue gathering data and to monitor this vital metric on a quarterly basis – please use the QR code to download our survey and contribute your companies data.



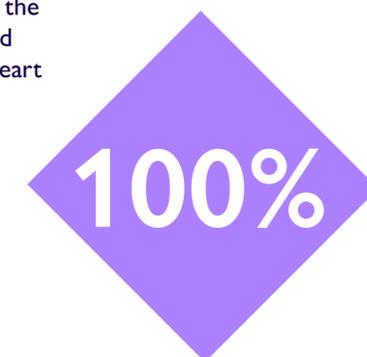
Work from Home by Industry



Among businesses surveyed in the Heart of London area



Businesses in the Leicester Square area reported the highest levels of hybrid working across the Heart of London area, with



of businesses surveyed having employees both working from home and from the office.

Leicester Square



The office / work from home habits and trends of business within the Heart of London is mixed picture with 44% of businesses reporting they work exclusively from the office and 56% enabling hybrid or remote working practices in some capacity for their staff.

20% of business respondents with WFH policies indicated that on Mondays and Fridays were typically the main WFH days. 74% of companies with hybrid working policies were flexible about the days employees decided to work in the office.

This shift will eventually require an uplift in prime grade A office space in the district as companies seek to transform their workspace offer to meet increased spatial requirements and include enhanced worker amenities and create an elevated workplace experience for workers.

SUSTAINABLE TOURISM

Each quarter we will delve deep into one of the key industry sectors in the HOLBA district to provide unique insight into future trends and opportunities. This quarter we are looking at Sustainable Tourism and the potential impact of Eco-Hotels.

Sustainable or Eco Tourism, also described as conscious, ethical, responsible or sustainable travel, is amongst the multitude of phrases coined to describe this important sector of the tourism industry. A large body of research is now demonstrating that changes in consumer behaviour is having a major impact in influencing travel decisions and changing the awareness and mindset of many travellers.

Travellers are increasingly seeking to go against the grain of traditional consumer behaviour and put the environment first by seeking to ensure their carbon footprint is reduced to the minimum when travelling. Travellers in all demographic groups are increasingly looking for authentic and meaningful sustainable travel options. Booking.com suggest up to 90% of consumers say they look for sustainable options when planning their travel, and 81% say that sustainability is vital when travelling.

Of all of the generations, Gen Z is leading the way and most value sustainable travel according to Booking.com. This generation is more likely to choose eco-friendly and sustainable travel options over traditional travel options. To attract and retain Gen Z travellers, hotel brands are focusing on adopting sustainable practices in every part of the hotel supply chain and curating localised social causes that travellers can support.

Key factors that eco travellers are looking for from accommodation and travel itineraries include hotels that actively seek to continuously reduce their carbon footprint. This can include hotels having a strong sustainability narrative, through limiting waste, curation of local products and resources used to ensure minimal carbon footprint and shorten supply chains. Another desirable attraction for travellers is the chance to participate and contribute to programmes and initiatives that give back to local communities whilst travelling.

This extends beyond the four walls of the hotel and includes aspects such as travel itineraries. Younger generations are seeking purposeful travel that actively forms a connected and collaborative approach between traveller and the hotel, to help provide curated meaningful experiences and opportunities to participate in local activities and projects. These can be either community driven or sustainably purposeful to help ensure their visit has a positive impact on the places and communities they visit.

It is not just leisure travel that is being disrupted by changing consumer demand and behaviour. Recent research has found there is an impact on business travel, with 93% of Gen Z and 92% of millennials reporting they are more likely to take steps to reduce their environmental impact while traveling for business and will seek to change plans if they are not sustainable.

What is increasingly likely to become important to consumers will be the green credentials of the funding, design and construction of new hotels. Consumers will want to easily understand the whole life carbon impact of the building, particularly for new hotels if they want to have credibility to market as eco-tourism or sustainable hotels.

Most West End hotels have adopted operational practices to reduce waste and carbon output and, where possible, offer guests a range of options that allow people to travel more sustainably and meet travel expectations.

The big opportunities, and the aspect that is currently less developed in practice, exist in the provision of meaningful experiences - creating opportunities for travellers to participate in local community initiatives and programmes. Younger travellers, in particular, are very conscious of their impact on communities when travelling and want to support, participate or donate to something meaningful that gives a sense of pay back and helping to offset their trip.

Further opportunity is found in localised supply chains. Operators can build strong narratives around curating local products and services, such as the food and drink sold, and the use of local craft and trades in the design and operation.

KEY STATS*

The UK is leading the way in sustainable tourism. The European sustainable tourism market was dominated by the UK, capturing a 20.1% share of the market value in 2022 (Global Data 2022).

80%

of travellers said that traveling more sustainably is important to them

66%

of global travellers said they want an authentic experience and to immerse into the local culture

58%

of travellers think it's important that their trip benefits the local community

51%

of people think that there are not enough sustainable travel options available

33%

of travellers surveyed said that they had stayed in sustainable accommodation in the past year

OPPORTUNITIES TO EXPLORE



Creation of a database of relevant local products produced within or nearby HOL area to shorten supply chains

Mapping community projects that guests can support



Devising purposeful tourist trails and experiences to share with guests



Creating opportunities for guests to support and contribute to local cultural institutions



Creating further in room / hotel innovations on eco friendly and sustainable products

Exploring Green Loans and Finance for new hotel deals and refurbishments



Creation of Eco Tourism Working Group



CASE STUDY

THE LONDONER LEICESTER SQUARE

The Londoner in Leicester Square is one of the most pioneering eco-hotels in London. The scheme from inception to operation has sought to demonstrate the most impressive eco credentials. The scheme was built utilising sustainable engineering and design principles to create a building that every aspect is considered from an eco perspective. The scheme was funded with a £175 Million green loan which helped the hotel to achieve a BREEAM excellent rating. In operation, the hotel has sought to utilise advanced technology to reduce carbon impacts with products designed to minimise waste, energy and water.

The hotel carefully curates its partners and brands for in room products and facilities to ensure sustainable and ethical luxury experience for guests. One of the most impressive aspects is that the hotel states they are only at the beginning of the journey and that an in-house team is seeking to find new technologies and products that will help the hotel to continuously reduce its carbon footprint.



* Booking.com 2023 and Global Data 2022

FOOD FOR THOUGHT

In early February the Michelin Guide published its 2024 iconic guide, with four restaurants in the Heart of London area maintaining their prestigious one star status. Congratulations to all restaurants involved.

Michelin Star



THE RITZ LONDON

WILD HONEY
— St James —

Evelyn's
TABLE

VEERASWAMY
1926

Michelin also announced that two restaurants maintained their Bib Gourmand status. The Bib Gourmand recognises a more value-led proposition, with Michelin describing the award as “our best value for money restaurants offering a three-course meal at a reasonable price”.

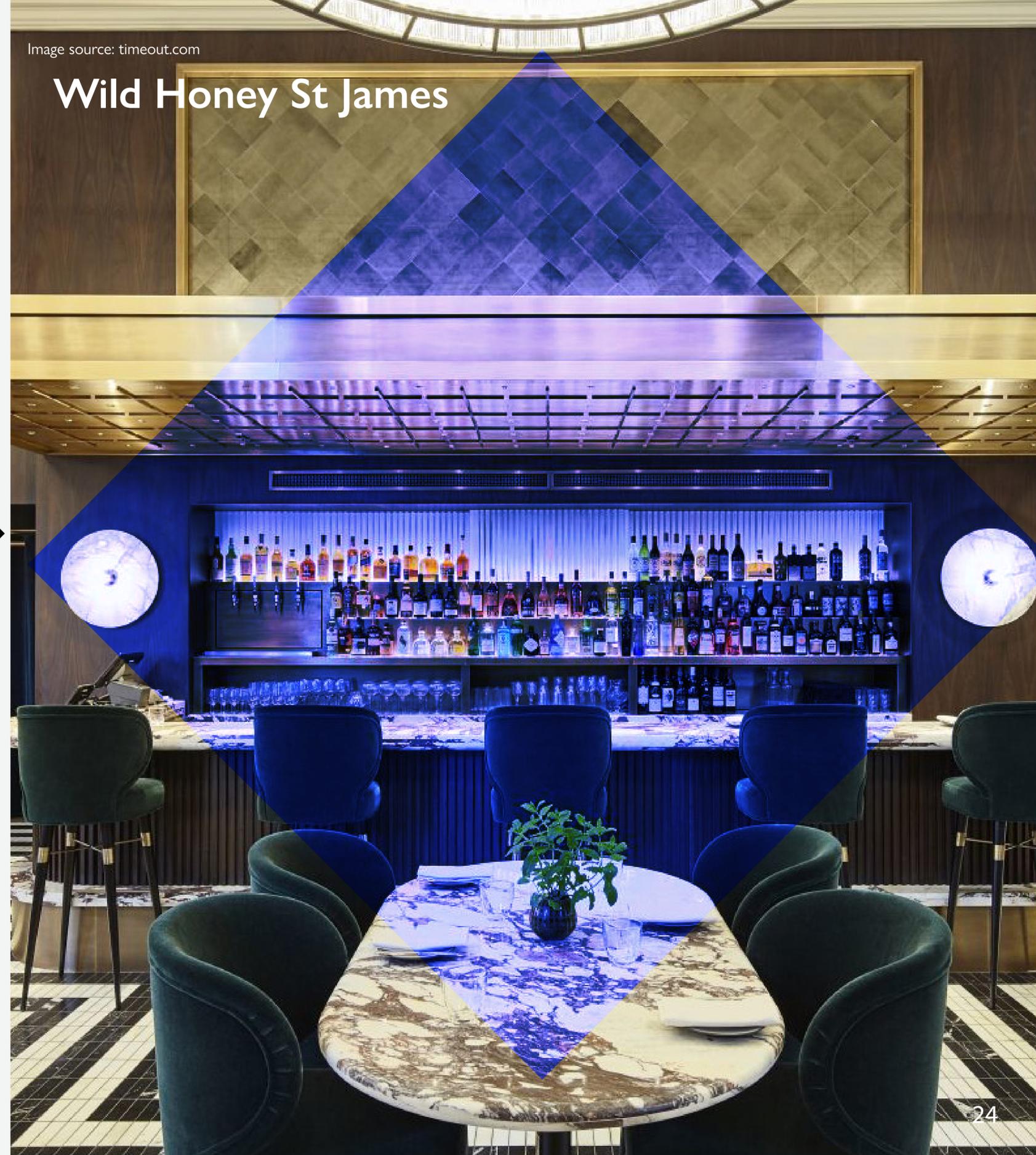
Bib Gourmand

BANCONE

THE
Palomar
RESTAURANT

Image source: timeout.com

Wild Honey St James



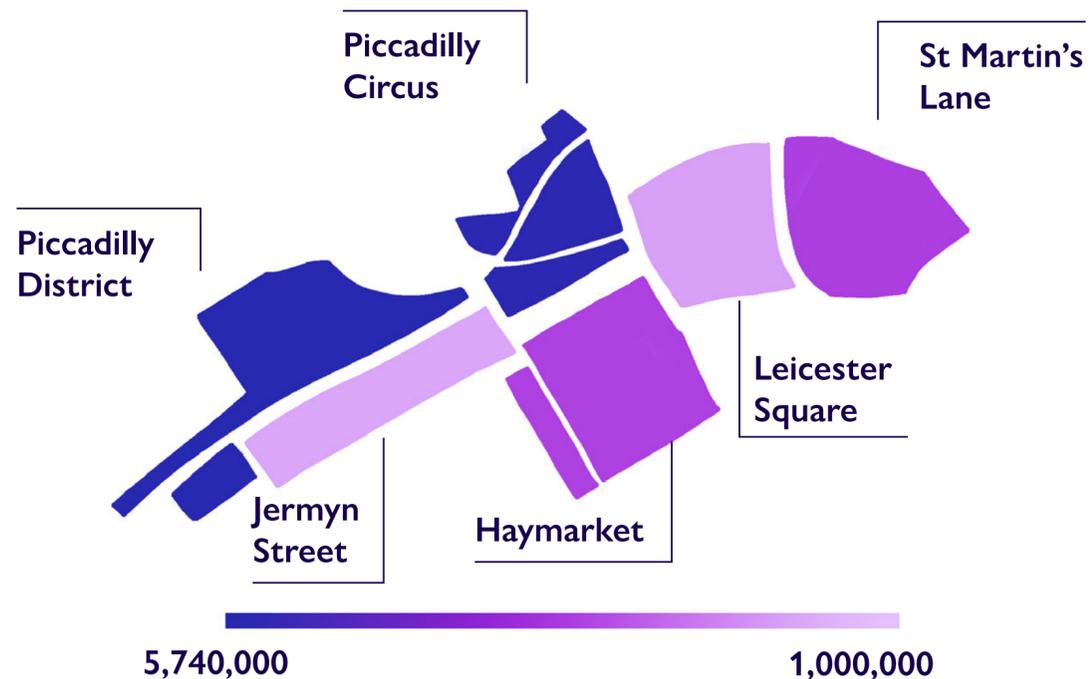
FOOTFALL DATA

Footfall in the HOL area between December 2023 and February 2024 reached almost 40 million which made up over one-third of the foot traffic through the Core West End as a whole. The number peaked in December 2023, with just over 14 million people passing through the HOL area, owing to the popularity of the West End and areas such as Piccadilly in particular during the festive season. Nevertheless, foot traffic has stayed consistently high, dipping to just over 11 million people in February 2024.

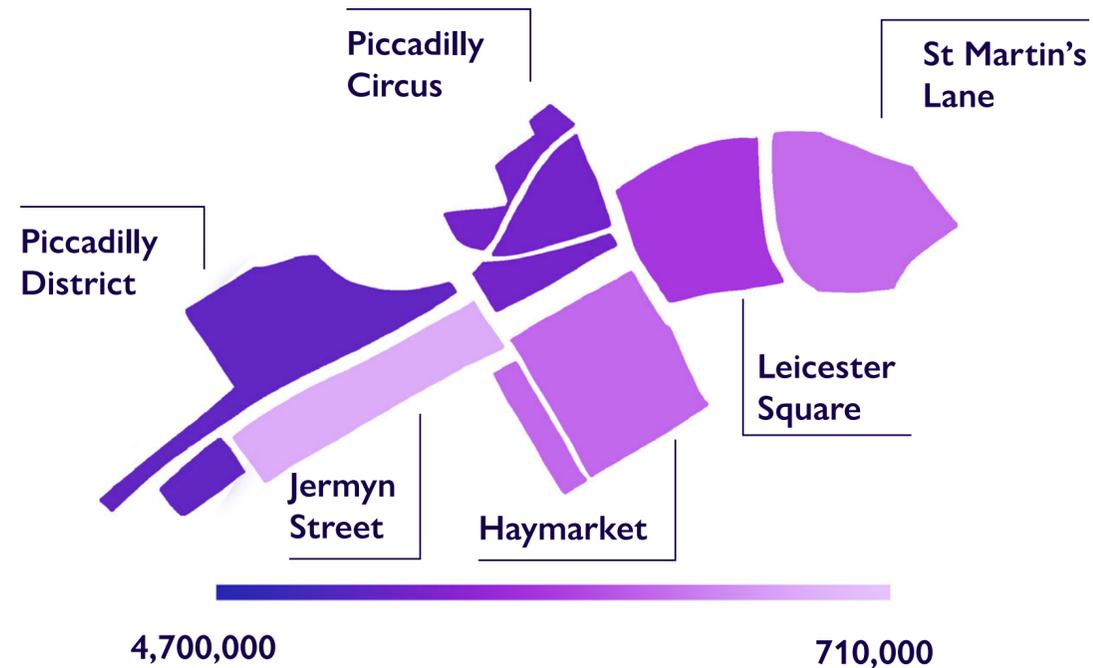
Interestingly, although foot traffic was higher in December across the majority of the HOL area's districts, it was lower in Leicester Square. This could have to do with a number of factors: areas such as Piccadilly District and Piccadilly Circus are more popular with Christmas shoppers and tourists, leading to higher foot traffic in December. Meanwhile, office workers who would normally be based in and around Leicester Square were more likely to be working from home during the festive season. It is likely that this included a large number of parents whose children were off from school.

Footnote: latest available data from Colliers (2024)
HOLBA members can read more [here](#)

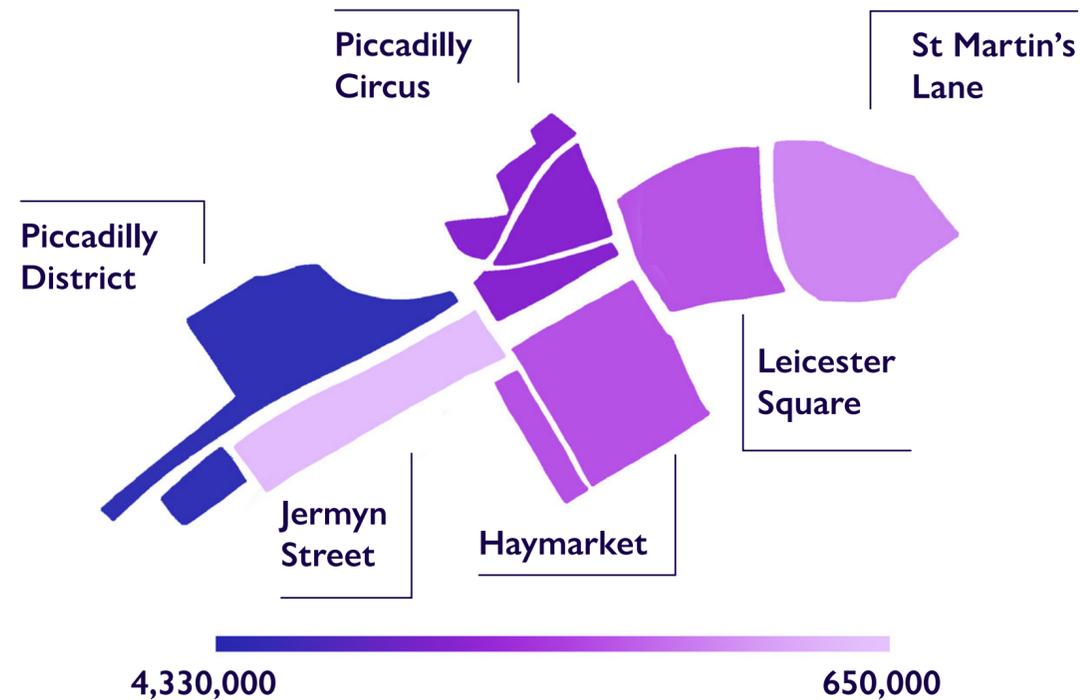
December 2023



January 2024



February 2024

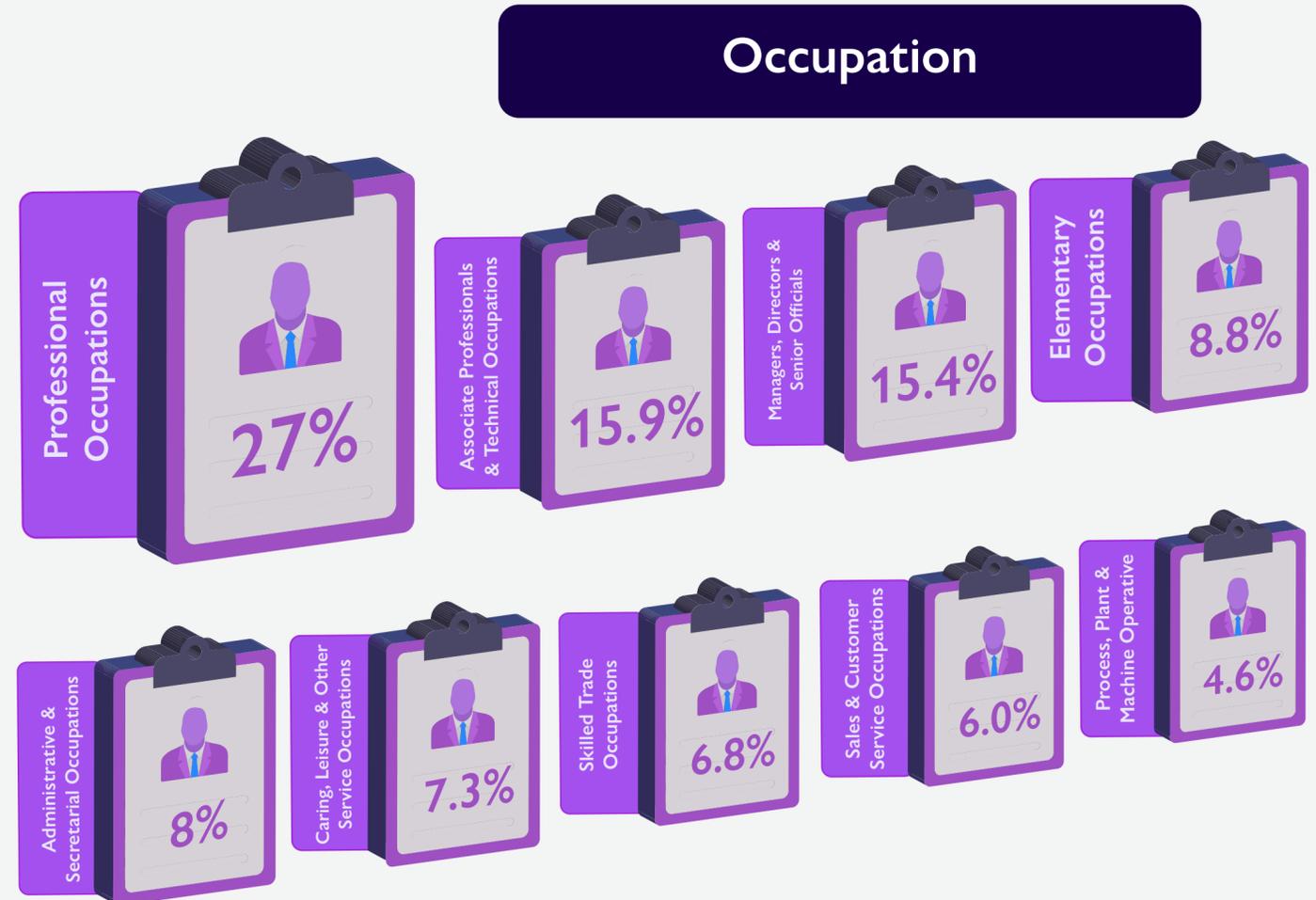
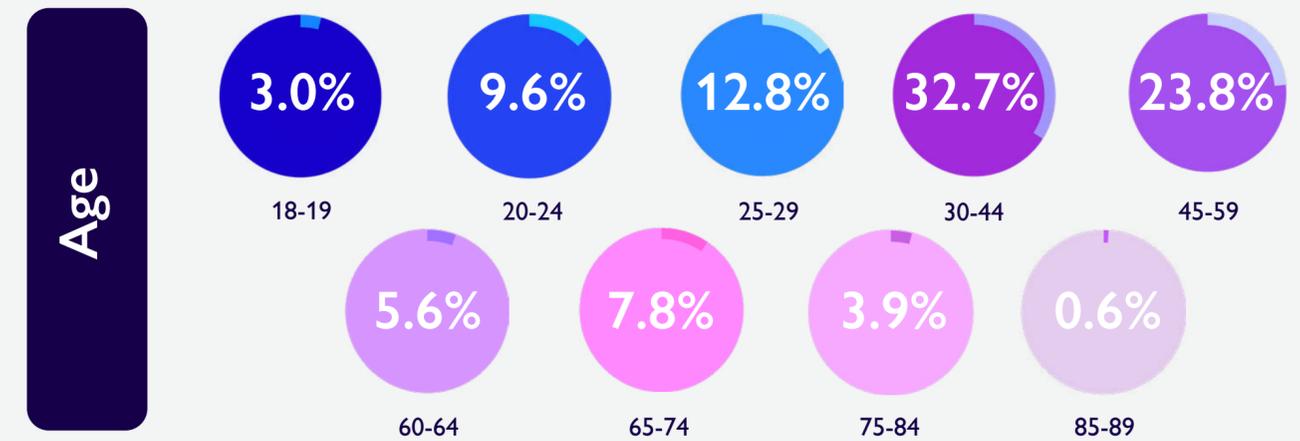
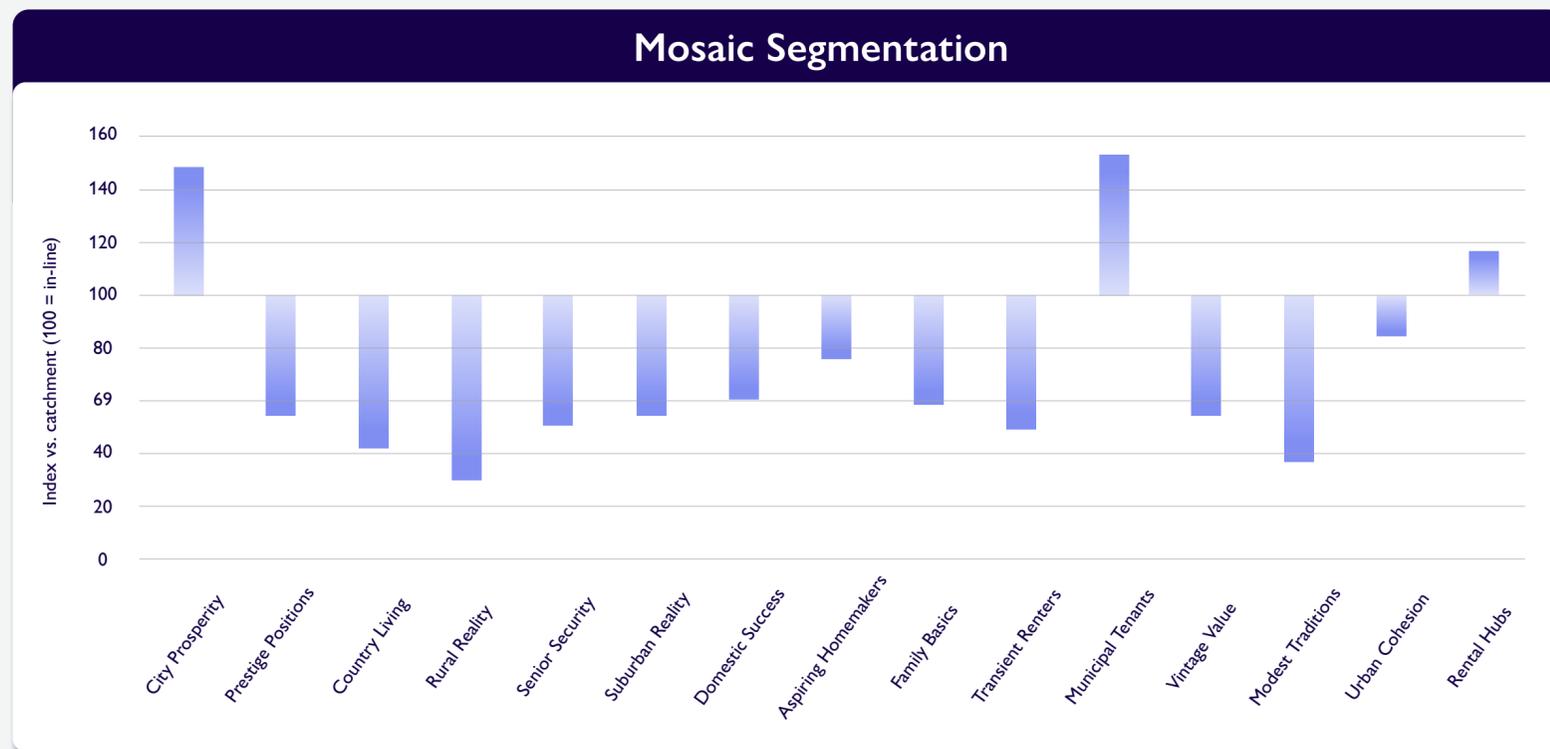


DEMOGRAPHIC DATA

Visitors to the HOL area between December 2023 and February 2024 were predominantly between the ages of 30 and 59, with over half of all visitors falling within this age band. Younger age groups also made up a significant portion, with adults under 30 comprising over one-quarter of the total visitor profile. In terms of occupation, the largest share of visitors fell under the Professional Occupations category (27.0%), followed by Associate Professional and Technical Occupations (15.9%) and Managers, Directors and Senior Officials (15.4%). This is in line with the large number of office businesses in the area.

In terms of mosaic segmentations, the demographic profile was made up mostly by City Prosperity, Municipal Tenants, and Rental Hubs. This is unsurprising given the fact that these groups combined make up over half of the entire population of London as a whole and so dominate the HOL area.

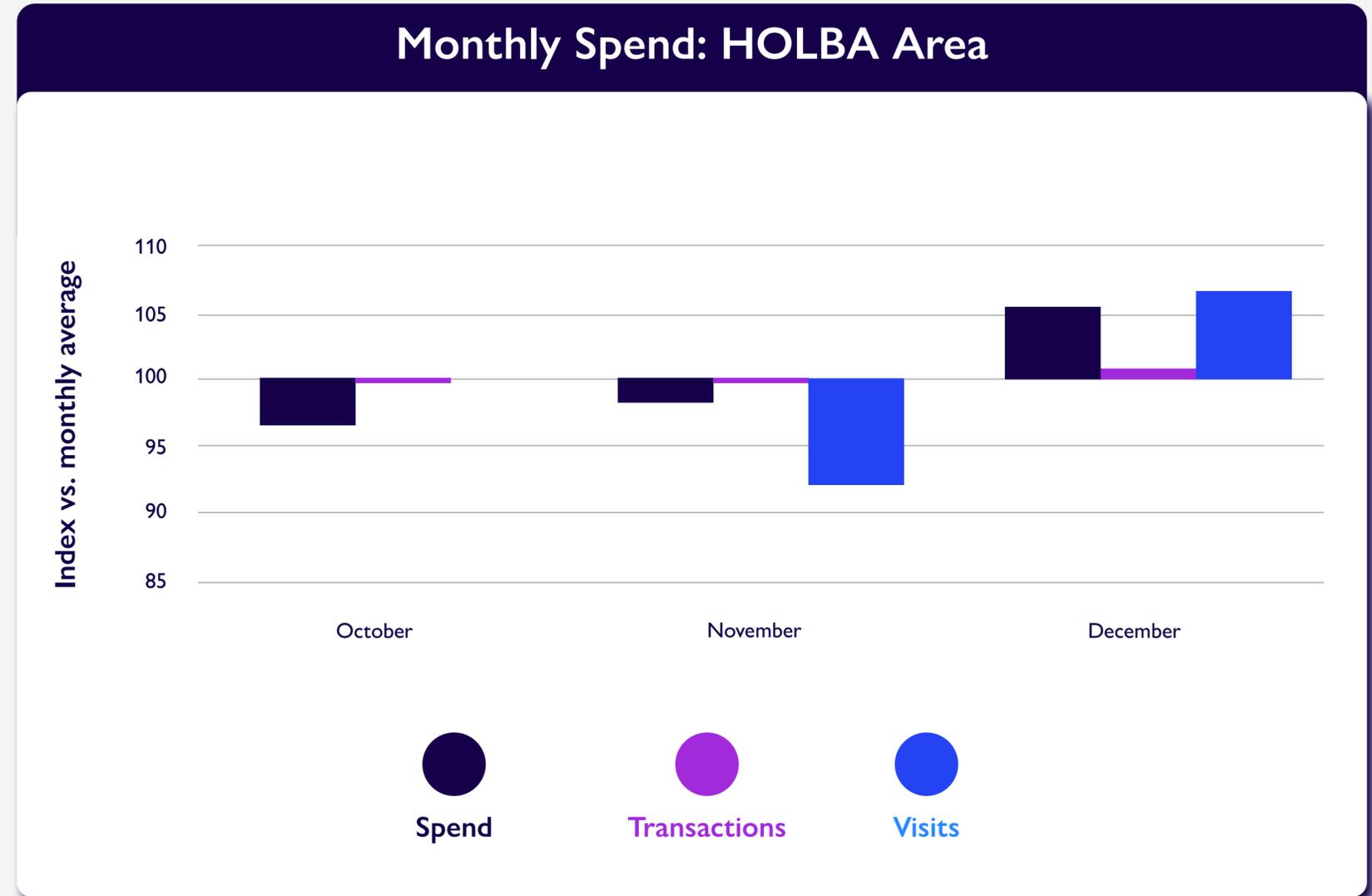
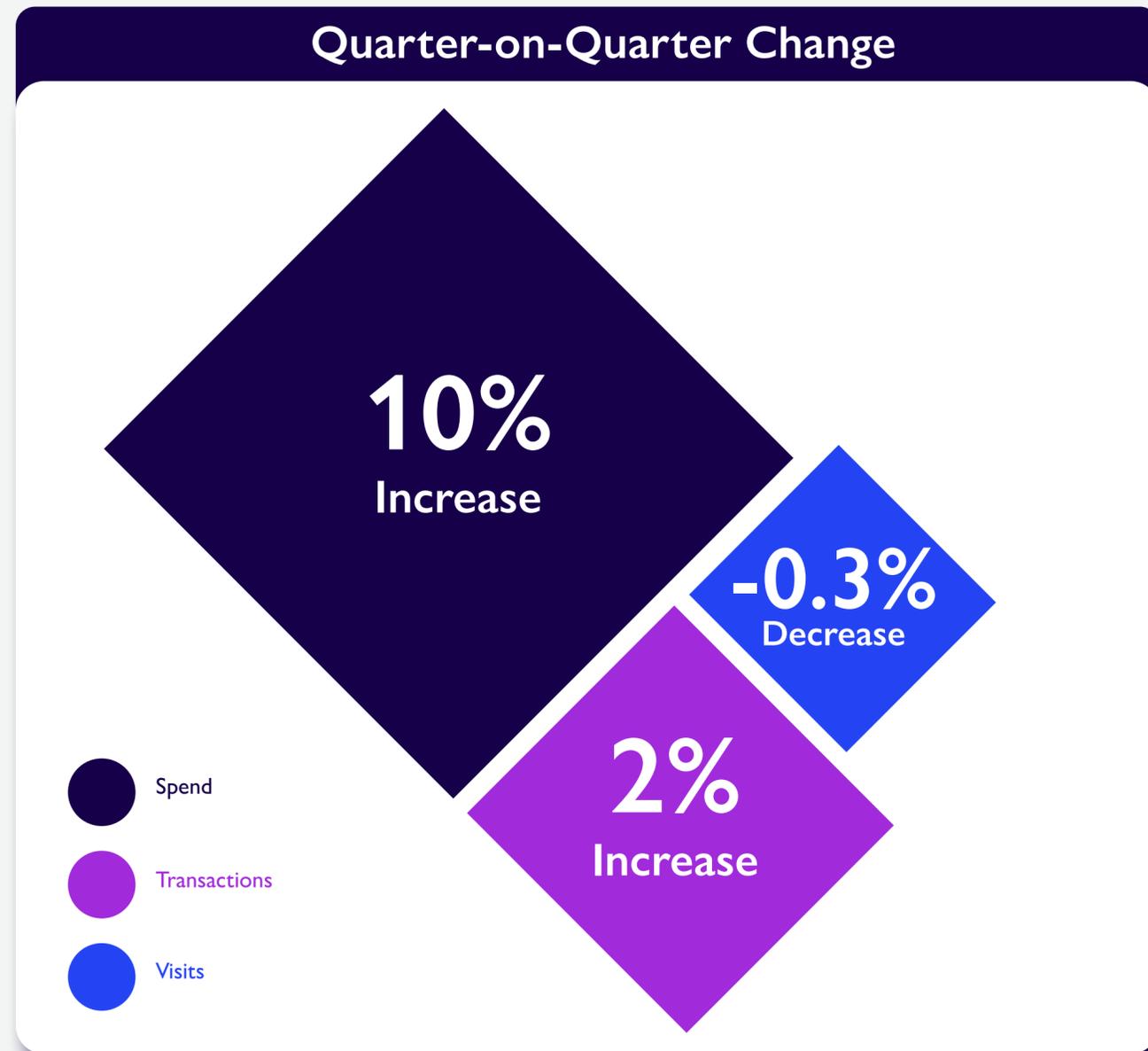
Footnote: Latest available data from Colliers (2024)
 HOLBA members can read more [here](#)



CONSUMER SPEND DATA

Consumer spend in the HOL area between October 2023 and December 2023 rose by 10% in comparison to the previous quarter. The total number of transactions also increased by 2%, although the number of visits decreased very slightly, by about 0.3%. In terms of monthly spend, visits, and transactions, these increased throughout the period and peaked in December, in line with increased footfall and shopping activity due to the festive season.

Footnote: Latest available data from Colliers, MasterCard (2024)
 HOLBA members can read more [here](#)



SOCIAL MEDIA DATA

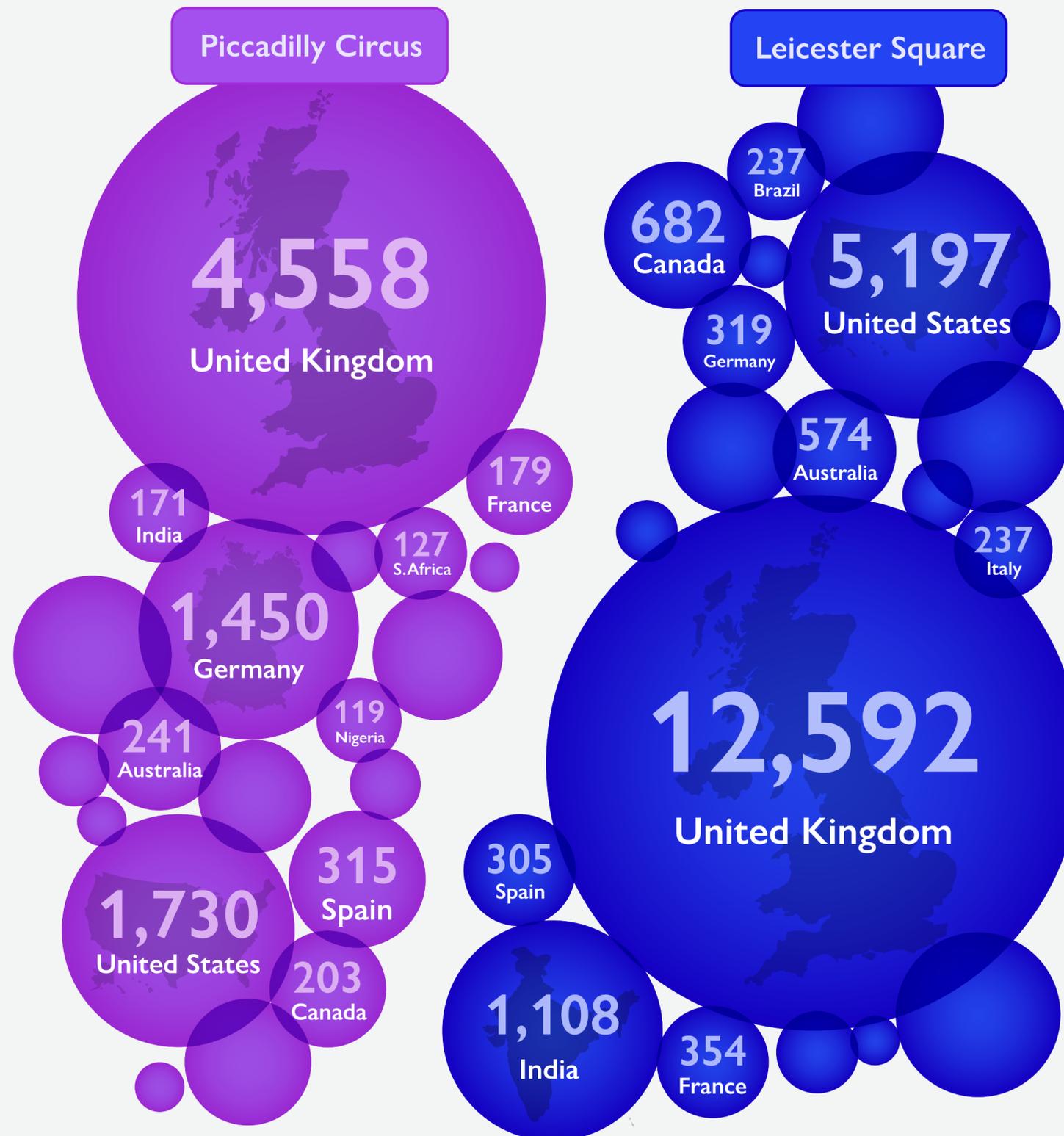
The Social Media analytics data from Meltwater over the last 3 months (December 2023 to February 2024) provides valuable insights into the online mentions of two iconic tourist destinations in London - Piccadilly Circus and Leicester Square.

Overall, the HOL area has an extremely high level of engagement on social media, with the focus being on arts and entertainment, travel, and news. This reflects the importance of the area as a cultural landmark, tourist destination, and a hub of activity.

Top mentions by city



Top mentions by country



SOCIAL MEDIA DATA

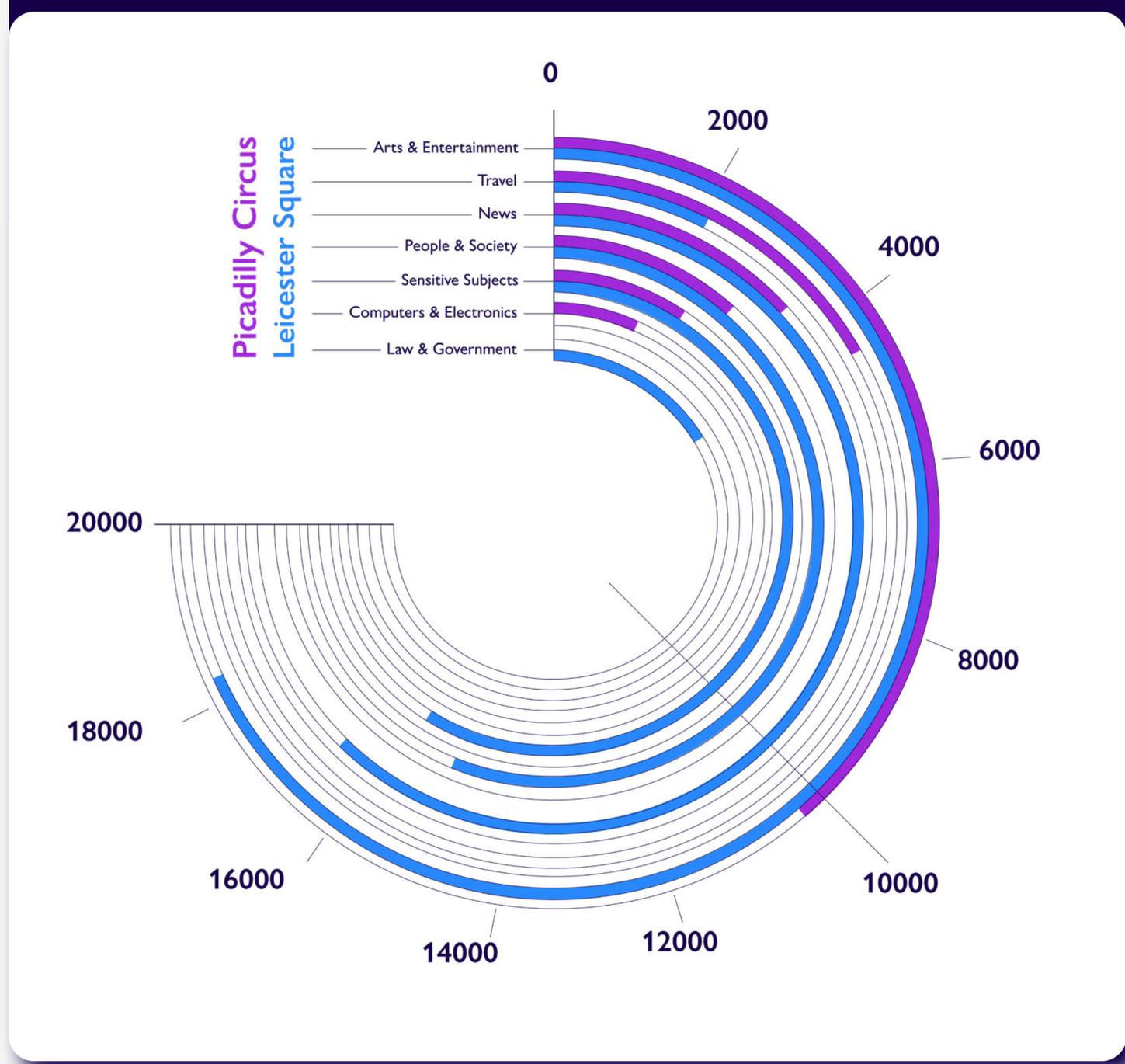
Piccadilly Circus had the highest mention in topics like Arts & Entertainment (10177), followed by Travel (4653), News (3683), People and Society (2927), Sensitive Subjects (2581) and Computers and Electronics (1480). Leicester Square had the highest mention in topics like Arts and Entertainment (18129), followed by Sensitive Subjects (15518), People and Society (14910), News (16723), Law and Government (4622) and Travel (2268).

Leicester Square emerged as the more prominently mentioned location on social platforms, with an average of 483 daily mentions, more than double that of Piccadilly Circus, which averaged 213 daily mentions. This suggests that Leicester Square has a higher visibility and engagement on social media platforms during the analysed period.

Average Daily Mentions



Top Topics



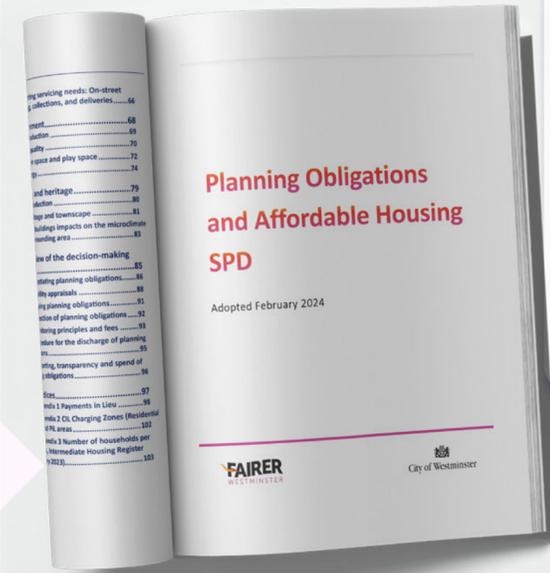
KEY PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

Each quarter we will round up the key announcements, publications and consultations that impact the HOLBA district into one digest so you don't have to.



Planning Obligations & Affordable Housing Supplementary Planning Document (POAH SPD) was adopted under Cabinet Member authority on 28 February, the Policy will take effect from 7 March 2024. The key addition is the adoption of policies on carbon off-set payments for new development (commercial schemes of at least 1,000 sqm or a site of 0.5 hectares, or residential projects of 10 homes or more.) As proposed in the draft SPD the carbon price will be set at £880 per tonne. However, the cost for all-electric buildings will be discounted to 37.5% which is £330 per tonne. The SPD also details new guidance on affordable workspace stating that such space is now seen as a public benefit. The guidance details that affordable workspace will be encouraged on developments with over 1,000 square metres (sqm) gross internal area (GIA) in any combination of the E(c) and E(g) planning uses. WCC would like a minimum of 10% of the GIA of to be affordable workspace. Whilst a minimum of 10% of developments with any combination of E(c) and E(g) planning use is encouraged to be affordable workspace.

In certain circumstances, a small 100 sqm affordable space, where using the space as a shared workspace is unlikely to be possible, the council may consider the use of the space to a single end user.



On March 14th, Westminster City Council launched a public consultation on proposed updates to its City Plan, which sets development policies for the borough. The key change is a new “retrofit first” policy that would require developers to prioritise retrofitting and upgrading existing buildings over demolition and new construction wherever feasible. This aims to reduce whole-life carbon emissions from the built environment by keeping embodied carbon locked into existing structures instead of demolishing them. If demolition proceeds, they’ll face new embodied carbon emissions targets. Westminster estimates this policy could save 480,000 tonnes of carbon by 2040.

The policy recognises that for some cases demolition and rebuild is the best option, but it encourages developers to fully investigate options for retrofit and extension at the outset, before considering demolition. Retrofit-first will, for the first time, assess the whole-lifetime carbon emissions of buildings, considering the environmental impact of demolition, rebuilding and the future existence of the development.

Public consultation is open until late April. Westminster aims to finalise these policies as part of its strategy towards becoming a net zero-carbon city by 2040.



No major licensing approvals in the last quarter.



No major planning approvals in the last quarter.

KEY PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

“Off-peak Fridays” The Mayor of London



The Mayor of London’s ‘Off-peak Friday’ trial launched on 8th March and will end on 31st May. This 3-month trial is aimed at boosting passenger journeys and aiding London’s economic recovery from COVID-19 and the cost-of-living crisis. The trial is also aimed at addressing the lack of office workers working from the office on Friday, post-pandemic. Tube passenger journeys on Friday are typically 73% of pre-pandemic levels versus 85% midweek and 100% on weekends. These peak fare suspensions have slashed prices significantly, with Zone 6 to Zone 1 costing £3.60, down from £5.60.

This trial is part of the Mayor’s “Revitalise Fridays” plan to collaborate with businesses and stakeholders to increase foot traffic through promotions and special offers. The trial is being funded with £24m from the Mayor of London’s budget, which will be used to compensate TfL and rail operators for any net reduction in revenues and cover the costs of running the trial.

TfL is using data on passenger journeys, customer perception research, and feedback from the business community to assess the overall net impact. TfL said that this trial would be ‘keenly watched by major cities looking to bounce back after the pandemic’.

KEY PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

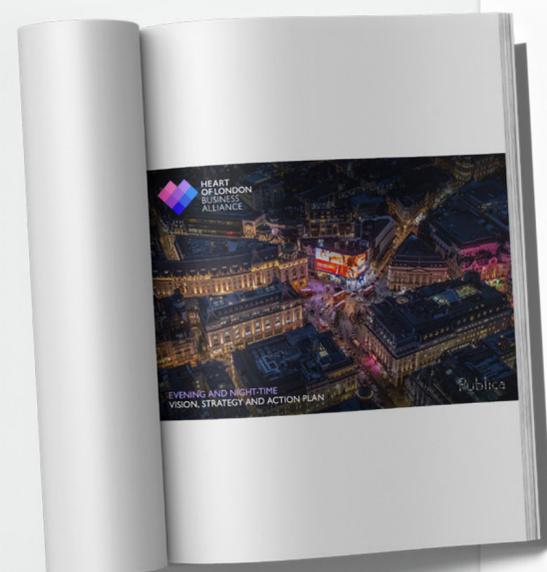
Westminster After Dark Evening & Night-Time Plan Westminster City Council

Westminster City Council is in the process of developing an exciting new initiative called the Westminster After Dark Plan. This plan aims to improve the experience of being in Westminster at night for all members of the community. The goal shares many values with HOLBA's Evening and Night-time Strategy; to make the West End an inclusive, dynamic, vibrant, and accessible place after dark. Read the full strategy [here](#).

Some key objectives of the plan include:

- Making the streets safe and welcoming for people who are out at night.
- Supporting businesses, cultural attractions, and entertainment that operate at night. This includes restaurants, theatres, music venues, shops, and more.
- Making sure sustainability and transportation at night are addressed.
- Ensuring people of all backgrounds feel comfortable being out at night in Westminster.

Over the last few months, the Council has been conducting surveys, community meetings, and outreach events to gather input from residents, businesses, visitors, and local groups to understand how to make the area more enjoyable during the evening and night-time hours. The Plan is targeting a launch in



Safer Westminster Partnership Strategy 2024-27 SWP Westminster City Council

In January, Westminster Council approved the Safer Westminster Partnership Strategy 2024-27. This multi-agency strategy outlines three key priorities to make Westminster safer:

Priority 1: Making the West End a safer place for visitors, residents, and businesses. Strategies include improving business crime reporting and prevention, establishing Safe Havens, expanding the Night Stars volunteer program, discouraging drug use, and better utilising antisocial behaviour legislation.

Priority 2: Tackling Serious Violence and Exploitation. Key partners will be the new Combating Drugs Partnership and groups like MARAC, MACE, and MAPPA.

Priority 3: Creating Safer, More Confident Neighbourhoods. Strategies involve community engagement, early intervention programs, victim support services, tackling repeat offending, and collaborative problem-solving. Cross-cutting themes for delivering the priorities are: targeting high harm and repeat offenders, supporting victims, early intervention, community engagement, and partnership working.

Progress will be monitored quarterly using performance indicators and action plans. The strategy will be reviewed annually based on crime patterns, legislation changes, and alignment with related strategies. Key delivery partners include the police, local authorities, health services, housing, probation, community groups and voluntary sector services. Effective collaboration and information sharing across these partners is critical for achieving the overall vision of fostering secure, resilient, and vibrant communities.



METHODOLOGY

Undertook a desktop review of HOLBA's first Economic and Real Estate Insights Report to understand benchmarked data and the baseline situation. This enabled us to understand in detail the work undertaken to date

Sources: HOLBA; Colliers; Centre for Cities



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

Sources: HOLBA; Colliers; Meltwater; MasterCard; Experian



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

Sources: AND Londonian



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

Sources: CoStar; Experian; AND London

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

Sources: HOLBA



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