

REAL ESTATE INSIGHTS



Quarter Two

July 2024 - September 2024

In this edition:
Deep Dive into The Experience Economy



FOREWORD

Our latest Real Estate Insights Report provides an in-depth analysis of the Heart of London (HOL) areas' real estate landscape for Quarter Two. In this issue we examine the Experience Economy, an exciting and growing sector shaping our district, exploring the opportunities within the West End.

In 2019 the Experience Economy was valued at \$5.2 trillion globally and is projected to reach \$12.8 trillion by 2028; growing at a compound annual growth rate (CAGR) of 12.5%. And it's no surprise that London is the experience capital, with experiences accounting for 34% of total consumer spending – the highest of any region in the UK. The HOL area already has a rich ecosystem of experiences: theatres, casinos, cinemas, hotels, restaurants, retail and live experiences, attracting 158.6 million visitors to the HOL Area in 2023-24. But tastes amongst consumers are evolving, which is evident when considering the rise of the competitive socialising concept which has seen a 40% increase across the UK since 2018.

Research shows that the best way to capture the market and ensure maintained levels of visitors and spend is to create engaging and inspiring experiences, underscored by businesses leveraging new technologies and innovating to meet evolving consumer expectations. Specifically, younger consumers aged 18 to 34, who are prioritising experiences over traditional purchases, and were projected to spend 67% more than the national average between July and September this year.

More broadly, real estate in the HOL area continues to be resilient amid market fluctuations, particularly within the office sector. Despite a general downward trend in the office market, the HOL area stands out with lower vacancy rates compared to the wider West End. The leisure and hospitality sectors are also showing encouraging signs, with several notable openings including celebrity chef Jason Atherton's Sael restaurant and reopenings, such as the iconic private members club Tramp, fresh from a £12million makeover.

While the investment market remains challenging, a slight uptick in activity suggests potential for positive momentum ahead, even as broader economic and political uncertainties persist. As always, our focus remains on supporting growth and resilience within the HOL area, aiming to equip stakeholders with the knowledge to navigate these changing times successfully.

We hope you find the information valuable and welcome your feedback on how we can continue to enhance these insights.

Warm Regards,



Ros Morgan
Chief Executive
Heart of London Business Alliance




Ros Morgan
Chief Executive



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INTRODUCTION

This Real Estate Insights Report provides a detailed look at the economic performance of real estate in the Heart of London (HOL) area. It has been produced 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 commentary and insights from leading experts.

This quarter's report includes a deep dive into the Experience Economy, exploring the contribution it is making across the UK and London, showcasing key contributors within the HOL 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.



In this edition:
Deep Dive into The Experience Economy



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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 Lane, 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.

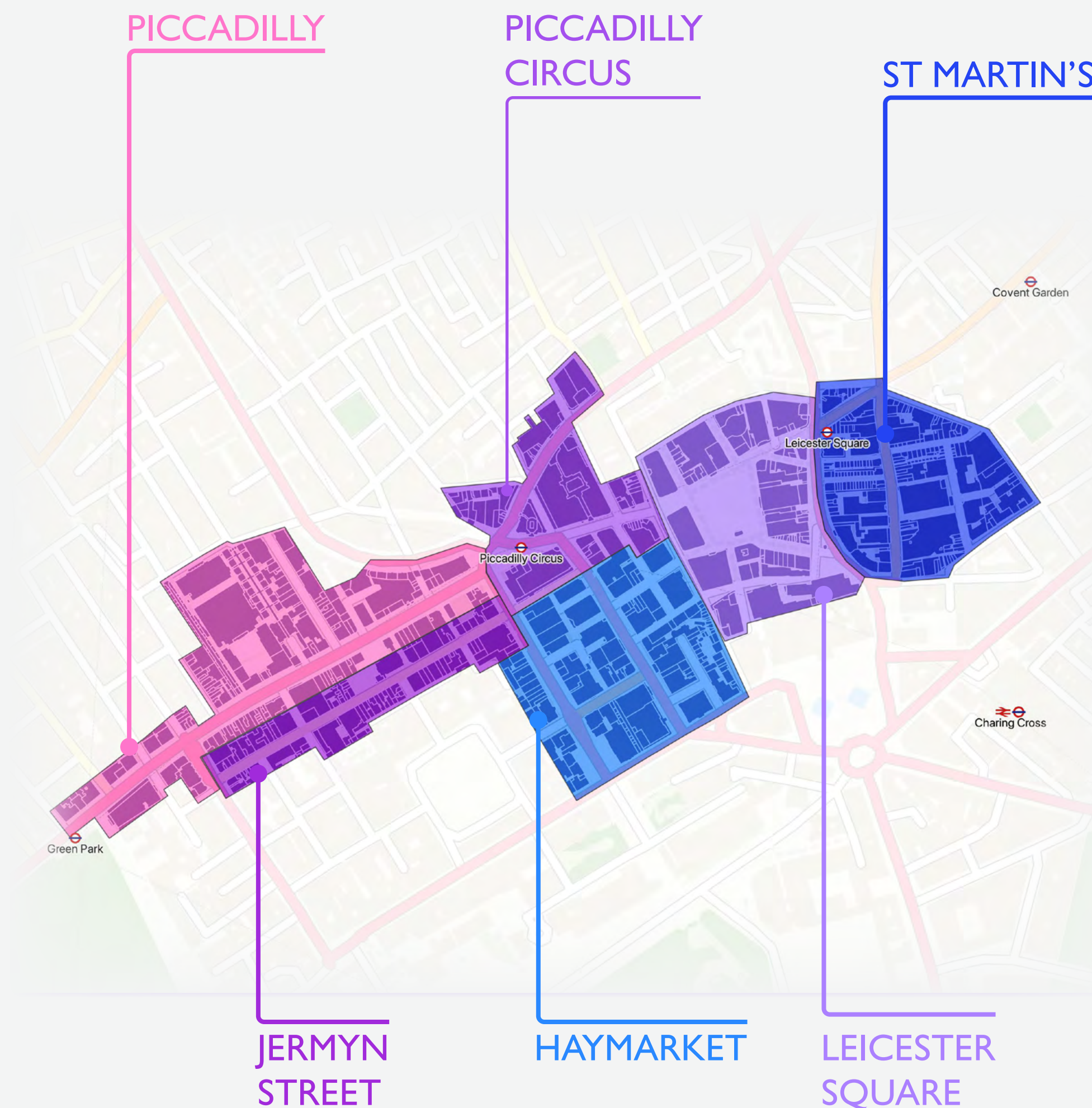
Leicester Square is the epicentre of London’s film and entertainment industry. Located next to St Martin’s, it is one of the most famous tourist destinations in London with a wide range of retail and leisure offers. Leicester Square has numerous cinemas, casinos, restaurants, and bars. Located next to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





Leicester Square

Daniel Kaluuya Statue, Leicester Square



Spirited Away, London Coliseum

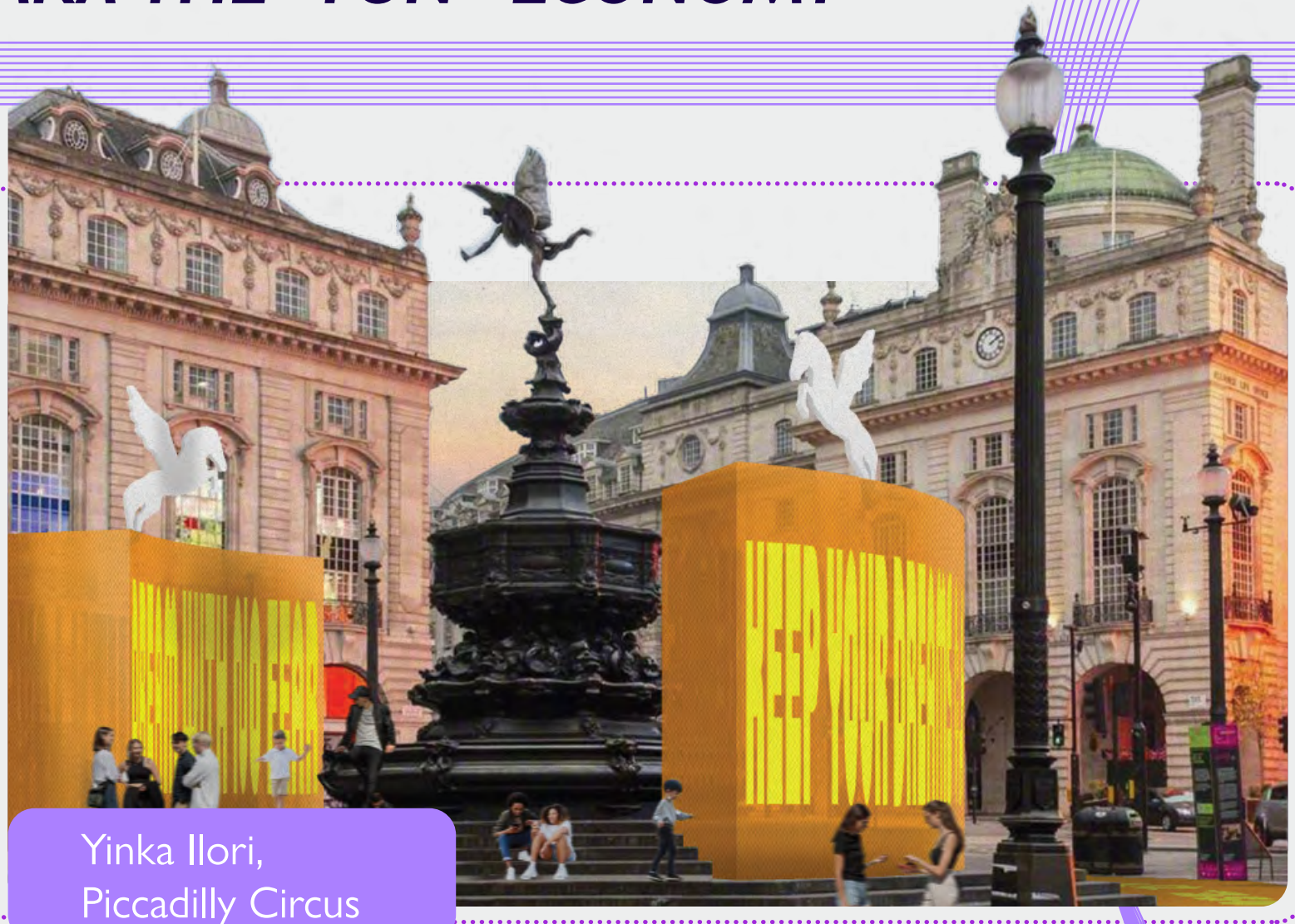


DEEP DIVE THE EXPERIENCE ECONOMY

AKA THE "FUN" ECONOMY

This quarter we take a closer look at the Experience Economy and its economic potential in the HOL area.

Below The Lights, Piccadilly Circus



Yinka Ilori, Piccadilly Circus

What is it?

The term ‘Experience Economy’ was first used in a 1998 article by B. Joseph Pine II and James H. Gilmore. It refers to the increase of people preferring to spend their money on experiences rather than commodities. More recently, The University of Nevada, Las Vegas, has coined the phrase ‘The Fun Economy’ to capture the global tourism, entertainment, and sports sectors added together. The value of these sectors alone exceeds that of other major global contributors, such as the pharmaceutical industry, and they are only set to continue to grow as the audience for ‘fun’ increases.

When we apply the definition of the ‘fun economy’ to the HOL area, what do we find? There is an abundant tourism and hospitality offer, including world famous hotels like The Ritz, and Michelin star dining experiences, like Wild Honey in St James’s. Entertainment in the HOL area is also world-renowned, with the home of UK film premieres, the ODEON Luxe in Leicester Square, sitting alongside theatres like the Harold Pinter and best-in-class venues like The Crystal Maze LIVE Experience and the Hippodrome Casino. While participation in, or watching of, sport is not currently seen here, there are other aspects of the Experience Economy that the HOL area offers. Retail in the HOL area blends shopping with unique experiences – a trip to Fortnum & Mason is not only about buying excellent produce, but also about seeing the curated displays, enjoying the Neo-Georgian architecture,

and receiving high quality service. Furthermore, a visit to the West End is in itself an experience. Places like Piccadilly Circus and Leicester Square are attractions in their own right, attracting high volumes of visitors like the Champs Élysées in Paris or Times Square in New York.

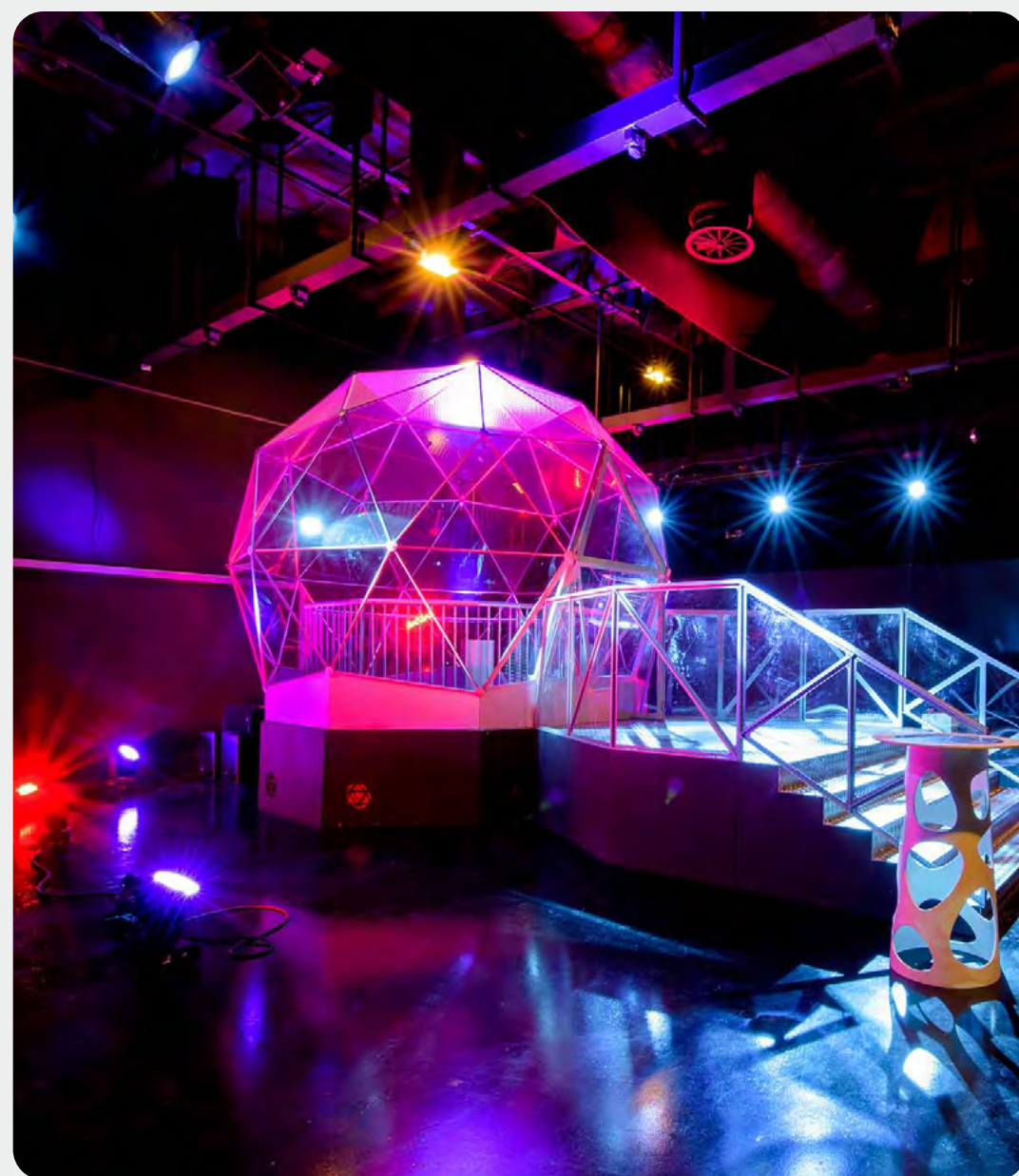


Image Credit: The Crystal Maze Experience

EXPERT VIEW

At the University of Nevada, Las Vegas, we have coined the phrase ‘the fun economy’ to reflect the global tourism, entertainment, and sports sectors added together.

Amazingly, the fun economy today constitutes upwards of 14% of Gross World Product -- the entire world’s economy. To put this into perspective, this is roughly five times the size of the global automobile industry. Today, fun is serious.

And those numbers are only growing in the decades to come, as we live in the first-ever period in the history of humanity that has accomplished something remarkable: more than half of the earth’s residents are now in the middle class (or above), according to a Brookings Institute analysis. As enormous numbers of individuals on the planet (30 million-plus in India alone in the past year) escape the clutches of poverty, which of course forces you to only buy basic necessities, what do they begin to buy? This new global middle class starts to buy large quantities of trips, entertainment experiences – and fun.

Listen to Bo’s Ted Talk here.



This should give us great hope for humanity itself, as a quarter century of “psychology of happiness” research has now demonstrated that buying experiences in the fun economy leads to enduring increases in happiness overall. Hence, the fun economy is not only good for the economy; when done right, it is good for you.

All of this provides a unique ‘good news’ assessment for the future of the Heart of London area. Neglecting the fun economy right now would be like saying, in the 1950s, that we are just going to ignore this automobile trend – as we don’t think it’s going to last or have an impact. The future of the economy is bending in the direction of the fun economy, and in the direction of experiences like those housed in this world-famous district.

BO BERNHARD PhD

UNLV Vice President of Economic Development



Impact & Trends

Today's economic landscape is competitive and businesses are fighting for the attention of consumers. The best way to capture the market is to create engaging and inspiring experiences that keep consumers coming back. Consumers are prioritising meaningful, personalised, and memorable engagements over traditional transactional purchases. Brands are responding by developing hyper-personalised experiences, tailoring products, services, and interactions based on individual preferences, behaviours, and real-time context. According to Allied Market Research, the Experience Economy was valued at \$5.2 trillion in 2019 and is projected to reach \$12.8 trillion by 2028; growing at a compound annual growth rate (CAGR) of 12.5%. Research from Mastercard (*U.K.'s Experience Economy Set to Spring Forward*) echoes this: 50% of British consumers planned to spend more on experiences in 2024 compared to 2023.

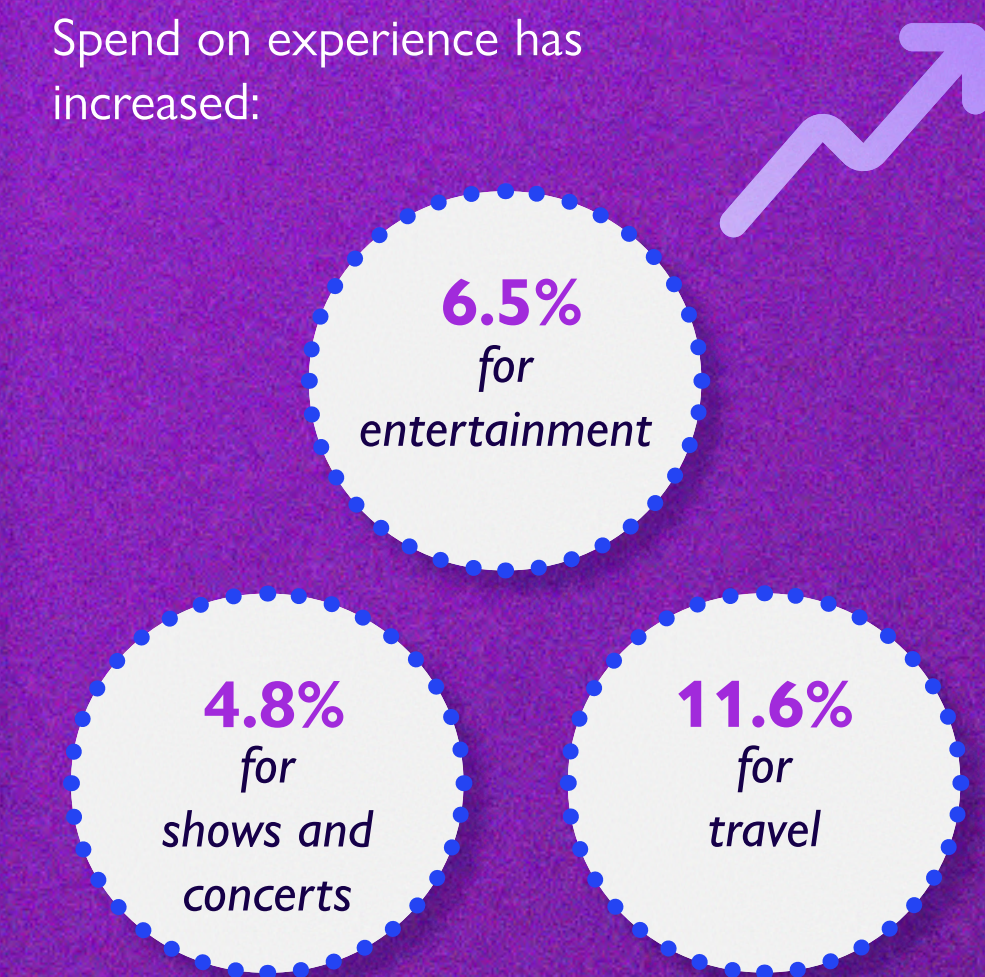
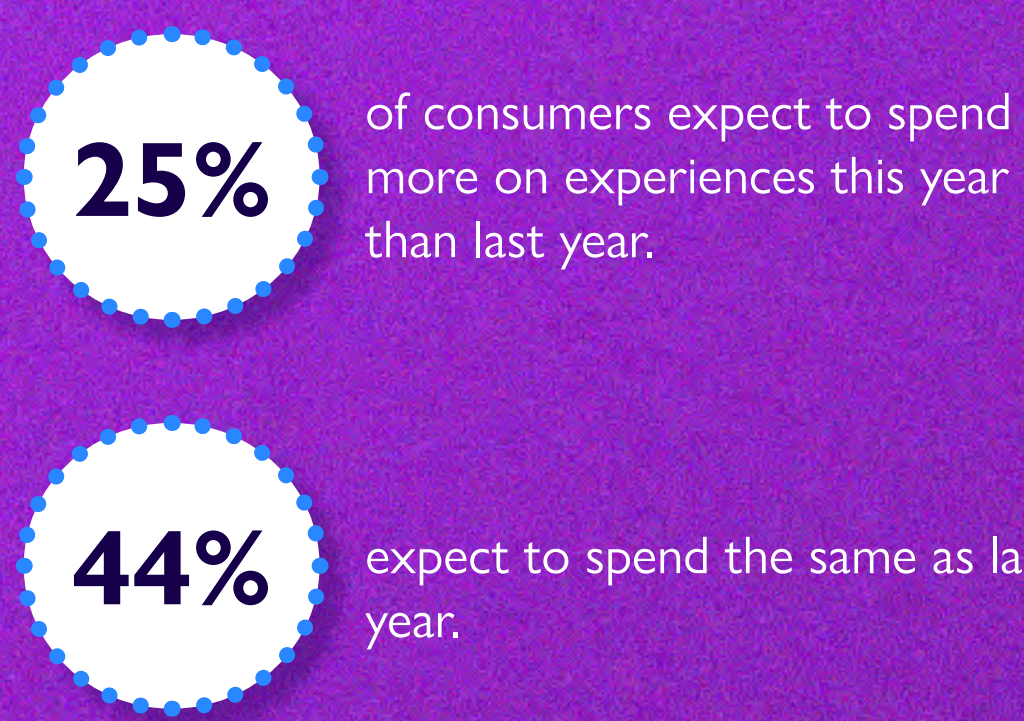
In a report published earlier this year titled *All to play for: winning with experience*, Barclays projected that UK consumers would spend £178 billion on experiences over the summer months, with experiences accounting for 34% of total consumer spending in London – the highest of any region in the UK. Barclays estimated that UK consumers would spend an average of £3,322 on

events, experiences, and holidays between June and September, with younger consumers aged 18 to 34, projected to spend 67% more than the national average of £5,531.

The tourism market is buoyant, with London consistently ranked as a top destination for both international and domestic visitors in the UK. The HOL area alone attracts 150 million visitors a year. The revenue generated by London's tourism topped at £14.15 billion in 2022. The latest data shows that in 2019, much of the market was international with international tourists staying for 118 million nights, whereas domestic tourists spent 28.47 million nights in London. The value of that international tourism is significant, with Visit Britain reporting that international visitors spent £16.70 billion in London in 2023.

One sector that has harnessed the strength of international spending is the casino market, with one London casino reporting that in 2021 90% of its Gross Gambling Yield came from overseas visitors. Across 2023, casinos in the UK contributed £0.8bn to the UK economy and 11,000 jobs. In London, high-end casinos have a wider economic contribution, attracting wealthy visitors who spend elsewhere, including in restaurants and hotels.

UK Experience Spend



Experience-led businesses contribute:



Average spends per person (June – September):



Aged 18-34 expect to spend:



Aged over 55 expect to spend:



Source: Barclays 2024.

VusionGroup's article *5 Retail Trends Shaping the Future of Shopping in 2024*, discusses the concept of Retail-as-a-Service (RaaS) gaining traction*, with retailers transforming physical stores into immersive brand experiences. The internet now provides an avenue to purchase most products a consumer needs and visiting a physical shop is not always essential for consumers. Therefore, RaaS strategies aim to create an experience for visitors, with fewer products on shelves, in favour of branded iconography and visual storytelling. According to Westfield's *How We Shop: The Next Decade* report, the entire retail model is about to turn upside-down. By 2025, over half of all retail space is projected to be dedicated to immersive branded experiences.

Technology is significantly shaping the Experience Economy. Spaces like The Outernet at Tottenham Court Road, COEX K-Pop Square in Seoul and M+ Facade in Hong Kong provide high-definition, wraparound screens to provide a blend of art, advertising, and immersive content. The concept of the metaverse is also rapidly gaining traction, blending virtual and physical realities into interconnected digital environments where users can socialise, play, shop, and work. Companies are investing in virtual worlds and immersive experiences that allow customers to interact with brands in entirely new ways.

* Other trends identified were Integrating AI for Personalized Shopping, The Rise of Omnichannel Retailing, Sustainability and Ethical Retailing and Leveraging Big Data for Market Insights.

Major brands like Gucci and Nike have started to create virtual versions of their products for these platforms. Virtual reality (VR) and augmented reality (AR) technology is used to create fully immersive digital environments or to augment the physical world with interactive digital elements. This trend is particularly strong in gaming, retail, and tourism, where consumers can experience products or destinations in new and exciting ways. Emerging VR tourism platforms, like Google Earth VR, enable virtual travel experiences that let users explore global destinations from their living rooms before they visit.

Esports is one of the sectors that bridges the worlds of digital and reality. As we reported in our **last quarterly report**, the esports industry created £1111.5m in GVA in 2019 and the Mayor of London is backing the city as a leading destination the sector. The economic potential for esports is vast, with singular events, such as the League of Legends World Championship alone, hosted in London in November 2024, set to add a £12m boost to London's economy.



Spirited Away,
London Coliseum

What does this mean for the HOL area?

With 158.6 million visitors to the HOL area across 2023-24, the audience and potential customer base is huge. The opportunity for the HOL area to benefit from the growth of the Experience Economy is expansive and exciting, as it already captures so much of what the HOL area and the wider West End is internationally renowned for.

In 2022, tourists spent an average of £877 per person per visit to London, and the potential to capitalise on this is significant. Much of the HOL area is internationally recognisable and people travel across the world to experience the atmosphere of the city. The challenges come in converting these visits into spending, enticing visitors to dine, drink and purchase, as part of their visit across the whole HOL area.

Hotels are increasingly capitalising on their captive audience of guests by expanding their offer beyond just a bed for the night. Opportunities lie in introducing experiential F&B, such as themed afternoon teas, rooftop bars and dining, or following the lead of luxury brands, like The Ritz, in expanding downwards to create spas and therapy spaces in new basement developments.

For the more established Experience Economy areas of theatre and cinema, the challenge is exciting. In 2023, 4.2 million tickets were sold for performances in the HOL area, with theatres generating £238.4 million in gross revenue.

The West End has always been known for its musicals and plays, but tastes amongst consumers is evolving. Significant opportunities lie in the blending of industries and exploring new typologies, with examples such as the London Coliseum's 2024 stage adaptation of Studio Ghibli's Oscar-winning film *Spirited Away*, capturing a new West End audience. Immersive theatre is also increasing in popularity, with Fever, Punchdrunk and Secret Cinema leading the way on the London scene.

The HOL area is well placed to capitalise on this trend, alongside the more traditional offering. Unlike traditional theatre, where the audience is confined to their seats, immersive theatre requires expansive environments that audiences can explore, with very large environments or multi-room settings required, and can form an ideal meanwhile use for buildings awaiting redevelopment.

The idea of immersive experiences, and similarly competitive socialising, is one that the HOL area can expand upon. The competitive socialising concept has seen a 40% increase in supply across the UK since 2018. This is set to continue, with new concepts emerging and increasing levels of quality. Despite the sector suffering during the pandemic, many operators have expanded and are seeing increased confidence with landlords. Set up costs can be high, and often require landlord contributions to achieve the levels of quality required, but can land longer than average lettings as a result. The strength of this market is harnessed by clustering, leveraging the economic impact of visits by co-locating the offer with good quality food and beverage and other complementary uses.

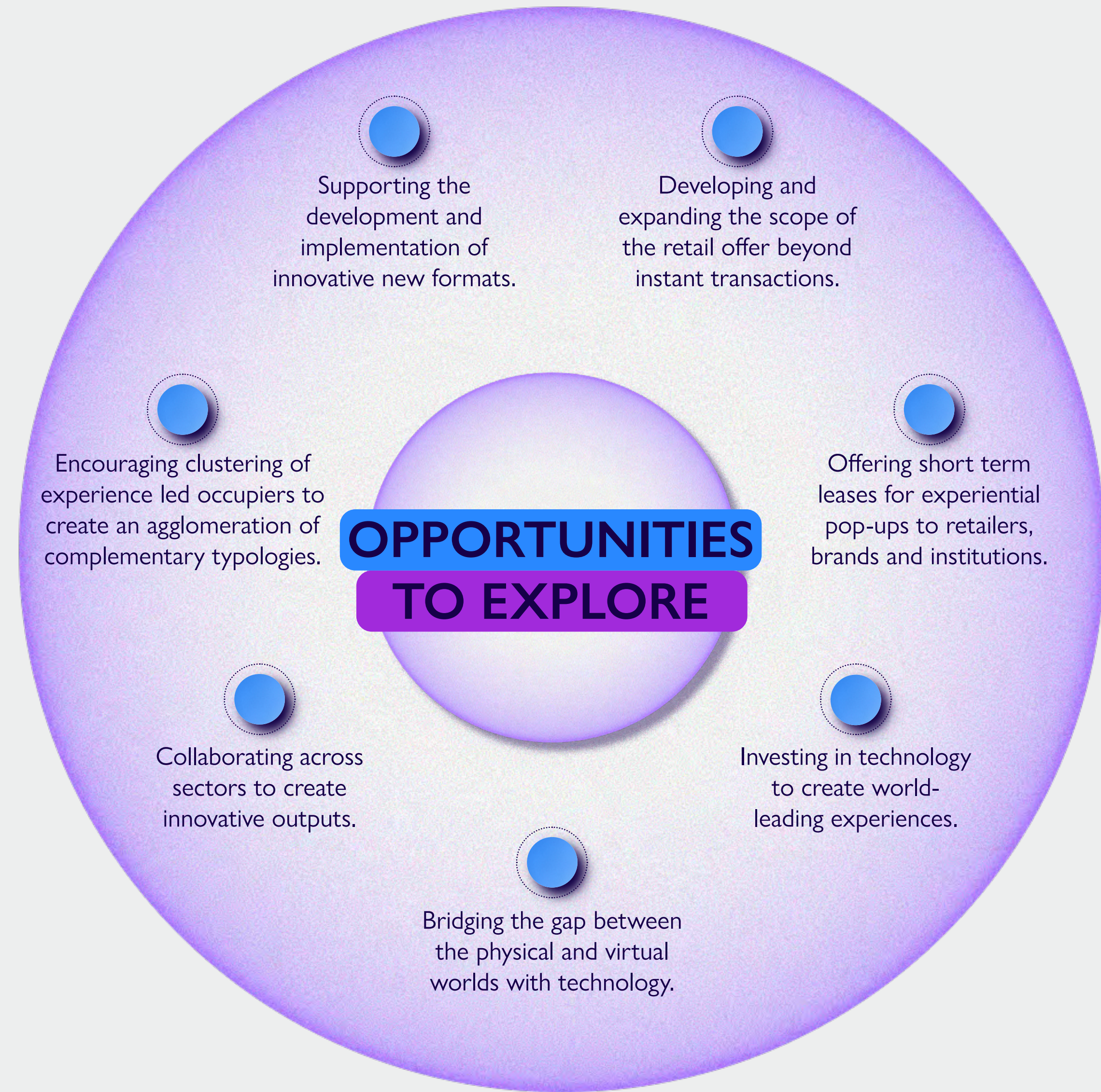
For the retail sector, businesses that thrive will be the ones that acknowledge that the experience goes beyond the transaction. Engaging customers in the physical space, and in the emerging digital space, is the best way to attract custom, and encourage repeat visits. So much of the retail experience in the West End is an experience in itself. Retailers across the HOL area, such as Lego, M&M's London, Fortnum & Mason and high-end perfumers Floris on Jermyn Street are embracing the experiential in different ways, with new occupiers, like the anticipated Ferrari heritage showroom on Piccadilly, making waves in the sector.

The HOL area's casinos are well positioned to take advantage of the ecosystems created from the clustering of uses which are broadening the ways that people are socialising. There is already significant investment in the cluster of casinos across Leicester Square and Piccadilly Circus, and this is only set to grow, with a pipeline of over 40,000 sq ft of new casino floor space. Growth plans include proposed expansion of Horizons Casino, and a new 37,000 sq ft casino proposed by Genting in the Trocadero, as well as refurbishment plans for The Empire, Horizons Casino and The Hippodrome Casino.

Creating social media moments and exploring provenance and craftsmanship are all opportunity areas for occupiers to explore. Additionally, landowners in the HOL area can capitalise on the pop up market, such as the potential globally successful Time Out Market at Piccadilly Circus, with occupiers requiring short-term leases for product launches, seasonal activations and celebrations, often using the retail environment as a place to browse for subsequent online purchases.



Fortnum & Mason x Jamie Hayon London Design Festival



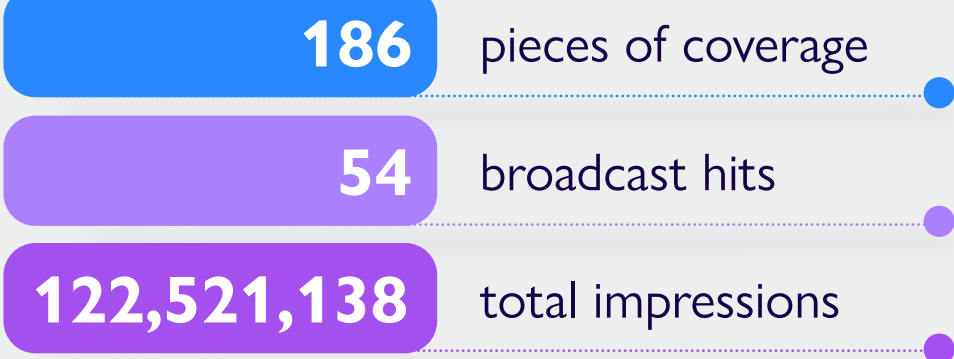
HOLBA Exemplar

Daniel Kaluuya Statue - Leicester Square

This October, HOLBA's Discover Leicester Square initiative introduced a new addition to its popular 'Scenes in the Square' trail: a statue of British actor Daniel Kaluuya.

The Scenes in the Square statue trail in Leicester Square is part of the "Discover Leicester Square" initiative, which aims to enhance the cultural and tourist appeal of this iconic London location. The trail features a series of life-sized statues inspired by famous movie characters and scenes, celebrating the area's historical connection to film and entertainment. By creating this trail, Leicester Square seeks to attract more visitors, engage tourists, and provide a fun and interactive way to explore the square. The statues not only celebrate the legacy of cinema but also promote the area as a lively cultural hub, helping to maintain its status as a world-renowned entertainment destination.

Kaluuya's statue captures the iconic 'Sunken Place' scene from the Oscar winning film 'Get Out', celebrating his remarkable rise as a British star. Chosen by 5,000 British film fans, Kaluuya's inclusion is a significant recognition of homegrown talent. He now stands alongside cinematic icons like Harry Potter, Wonder Woman, and Batman in Leicester Square, marking his inspiring journey from roles in 'Skins' and 'Black Mirror' to global stardom.



HOLBA Occupier Showcase

The Crystal Maze LIVE Experience

Little Lion Entertainment (LLE) is a leading immersive theatre production company that has redefined the entertainment landscape with its innovative experiences. Founded in 2015, LLE focuses on creating engaging and interactive attractions that put guests at the heart of the action. Among its most successful offerings is the Crystal Maze LIVE Experience at 22-32 Shaftesbury Avenue, which captures the nostalgic charm of the iconic 90s television show while bringing it to life in a dynamic and immersive format.

Between July to September 2024, the Crystal Maze LIVE Experience saw a remarkable influx of visitors, welcoming over 25,000 guests, reflecting an increase of 8% compared to the same quarter in the previous year. It has attracted over 1 million guests since its launch, solidifying its status as one of the UK's premier immersive attractions. The show has proven particularly popular among millennials and families seeking unique, engaging activities that allow for social interaction and participation.

Despite its success, the Crystal Maze LIVE Experience, along with other immersive attractions, faces challenges that could impede further growth. A significant barrier identified by LLE is the issue of business rate relief. The current business rates framework poses obstacles for the

growth of immersive experiences like the Crystal Maze. As the sector continues to develop, it is vital for policymakers to recognise the significance of immersive experiences and support their growth through targeted relief measures. The future of the Crystal Maze and similar attractions will depend on collaborative efforts to enhance the creative landscape, fostering an environment where innovative ideas can flourish.



HOLBA View
Timed attractions drive footfall to the HOL area, providing an economic boost to surrounding businesses.

Image Credit: The Crystal Maze LIVE Experience

HOLBA Occupier Showcase

Lalage Beaumont

Lalage Beaumont is a British luxury women’s focused brand, synonymous with tailoring for business and special occasions, as well as luxury handbags. It has had a presence in Mayfair since the brand’s inception 20 years ago. The 1,033 sq ft Lalage Beaumont Handbag Boutique at 16-17 Burlington Arcade opened in 2022. It is a showcase for the independent British brand’s affordable luxury goods, where experience is all part of the service. The brand is well positioned within Burlington Arcade – a location associated with luxury and which attracts an international footfall.

Educating the customer is an important part of the Lalage Beaumont experience, particularly as the handmade products have a story and provenance behind them, which customers love to learn about. In addition to the everyday customer footfall, Lalage Beaumont runs regular events at the Burlington Arcade store engaging with media, celebrity stylists, editorial stylists and personal shoppers to promote not only the products, but also sustainability and longevity. The brand has a wide appeal to international audiences, especially Arab shoppers in London, but the removal of Tax-Free Shopping and, more recently, new visa regulations have taken a toll on footfall, impacting the business directly. As a

result, the business has expanded into the middle eastern market with a small export business and a franchise store in Riyadh, Saudi Arabia, which opened in 2023.



HOLBA View
Experiential retail offers a window to experience brands and also supports the growing online audience and authentic relationship with its audience

HOLBA Occupier Showcase

The Hippodrome Casino

Occupiers of the iconic Hippodrome building on Leicester Square have been pushing boundaries since Charlie Chaplin first stepped onto the theatre’s stage back in 1900. Today the building is home to The Hippodrome Casino which opened under its current management in 2012. Since then, the casino’s 820 staff have welcomed 17.5 million visitors from over 112 different countries. It is the UK’s largest casino and entertainment venue with a huge draw, capturing one in ten UK casino visits, rising to one in every three in London.

The Hippodrome has harnessed the fun economy with an offer that is one of the best examples of how the idea can be brought to life. It embraces the Las Vegas style world of casinos, with entertainment and F&B alongside gambling. There are three uniquely-themed gaming floors, two multi-award winning restaurants, a streetside café, nine bars, London’s largest and busiest poker deck, a three tier terrace, as well as a residency for theatrical juggernaut Magic Mike Live – still playing to full houses as it approaches its 7th year. The Hippodrome is a driving force in championing the opportunities which lie in the reforms proposed in the UK government’s much anticipated 2023 Gambling White Paper. If these reforms come to fruition, including changes to limits on slot machine numbers, the innovation and reinvestment power of casinos like the

Hippodrome will only increase. The positive impact of the 1.5 million annual visitors to The Hippodrome is visible in the surrounding area. When the Hippodrome Casino opened in 2012, it was one of the first properties of significance to be redeveloped on Leicester Square since the Square itself was comprehensively remodelled in the same year. It was a catalyst for the subsequent Leicester Square £2.9bn makeover, which saw the opening of one of London’s most important new hotels (The Londoner), a refit of the Odeon Cinema’s flagship venue and the total rebuild of the new LSQ London block.



HOLBA View
Continued investment and innovation as an exemplar casino offering in the UK

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 quarter, supported by market insight and intelligence.



THE OFFICE MARKET

In this report, we study all office properties located within the HOL area, between July and September 2024. We consider office demand within a complex economic climate, including factors such as the forthcoming change in EPC regulations, increasing pressure for employees to return to the office, uncertainty surrounding the October budget effects, and high construction costs all playing a role.

These factors will continue to have an important impact on office demand over the short-to-medium term, but are also influencing the long-term market. As we saw across the last

quarter, the market is facing growing challenges. Occupiers are increasingly looking for exceptional quality spaces, in top locations, with stand-out sustainability credentials, as well as lease term flexibility. As a result, developers and landowners are facing increasing capital expenditure. With much of the HOL area occupying conservation areas, and many buildings holding some variant of heritage status, the restrictions and challenges faced across the London market are amplified here.



OVERVIEW

There is currently a total of 215,810 sq ft of available office space across the HOL area, accounting for 5.2% of the total office inventory. This is a slight increase in the previous quarter's availability rate of 4.6% (+18,810 sq ft).

The HOL area does, however, enjoy lower availability (5.2%) and vacancy (6.1%) rates than the wider West End market (availability: 7.0%; vacancy 7.4%). Both the HOL area and West End vacancy rates are below the central London average of 8.5%. At present, there are 40 properties with available space, constituting an increase from 38 in the previous quarter. These properties represent 0.94 years' supply in the market based on the current take-up rates, which is 0.11 more than the properties available in Q1. Nevertheless, this figure remains well below that of the wider West End, which increased to 1.35 this quarter. Rental rates have continued to increase (+£0.27 per sq ft/1.8%), although the rate of growth has slowed compared to the previous quarter. Rental rates remain slightly below the wider West End area, although the gap has narrowed slightly from £3.97/sq ft in the Q1 to £3.63 in Q2.

Recent quarters have seen a period of low take-up. There were just three leasing deals signed between 1 July and 30 September 2024, with a total of 7,756 sq ft transacted. This is half the number of deals which took place in Q1 and equivalent to nearly 60% of transacted floorspace.

The average transaction size has also continued to trend downward, sitting at 2,585 sq ft in the most recent quarter, compared to 4,515 sq ft in 2023-24 and 5,796 in 2022-23. Trends of low take-up and shrinking transaction sizes are not unique to the HOL area; CBRE reported that 2024-25 Q1 office take-up in central London was 18% below the 10-year quarterly average.

Across London, office investment fell 59% during the market downturn brought on by rising interest rates. The West End, however, did not suffer as sharp a decline in investment during this period, with the CoStar submarkets of Noho and Soho seeing investment volumes increase by over 40% between October 2022 and June 2024, compared with the previous seven quarters. This suggests that the wider West End office market has remained on more solid footing than London generally, likely owing to its central location and good connectivity.

Sources: CoStar, JLL, CBRE, Knight Frank

Net Absorption (sq ft)

Q3 2023-24	-44,040
Q4 2023-24	59,637
Q1 2024-25	43,948
Q2 2024-25	-27,783

West End Metrics

No. of Transactions **53** - 16 from Q1

No. of Transactions (Q2 2023-24) **114**

Market Rent per sq ft **£85.38** - £0.10 from Q1

Vacancy Rate **7.4%** - 0.1 from Q1

No. of Years' Supply on the Market **1.35** + 0.03 from Q1

Rental Growth **+3.0%** + 0.7 from Q1

HOL Area Metrics

No. of Transactions (Q2 2024-25) **3** - 3 from Q1

No. of Transactions (Q2 2023-24) **11**

Market Rent per sq ft **£81.75** + £0.27 from Q1

Vacancy Rate **6.1%** + 0.7% from Q1

No. of Years' Supply on the Market **0.94** + 0.11 from Q1

Rental Growth **+1.8%** - 1.4% from Q1

Total Inventory **4.1M** + 0k sq ft from Q1

No. of Buildings **166** + 0 from Q1

Occupancy Rate **93.9%** - 0.7 from Q1

Vacant Space (sq ft) **252K** + 28k from Q1

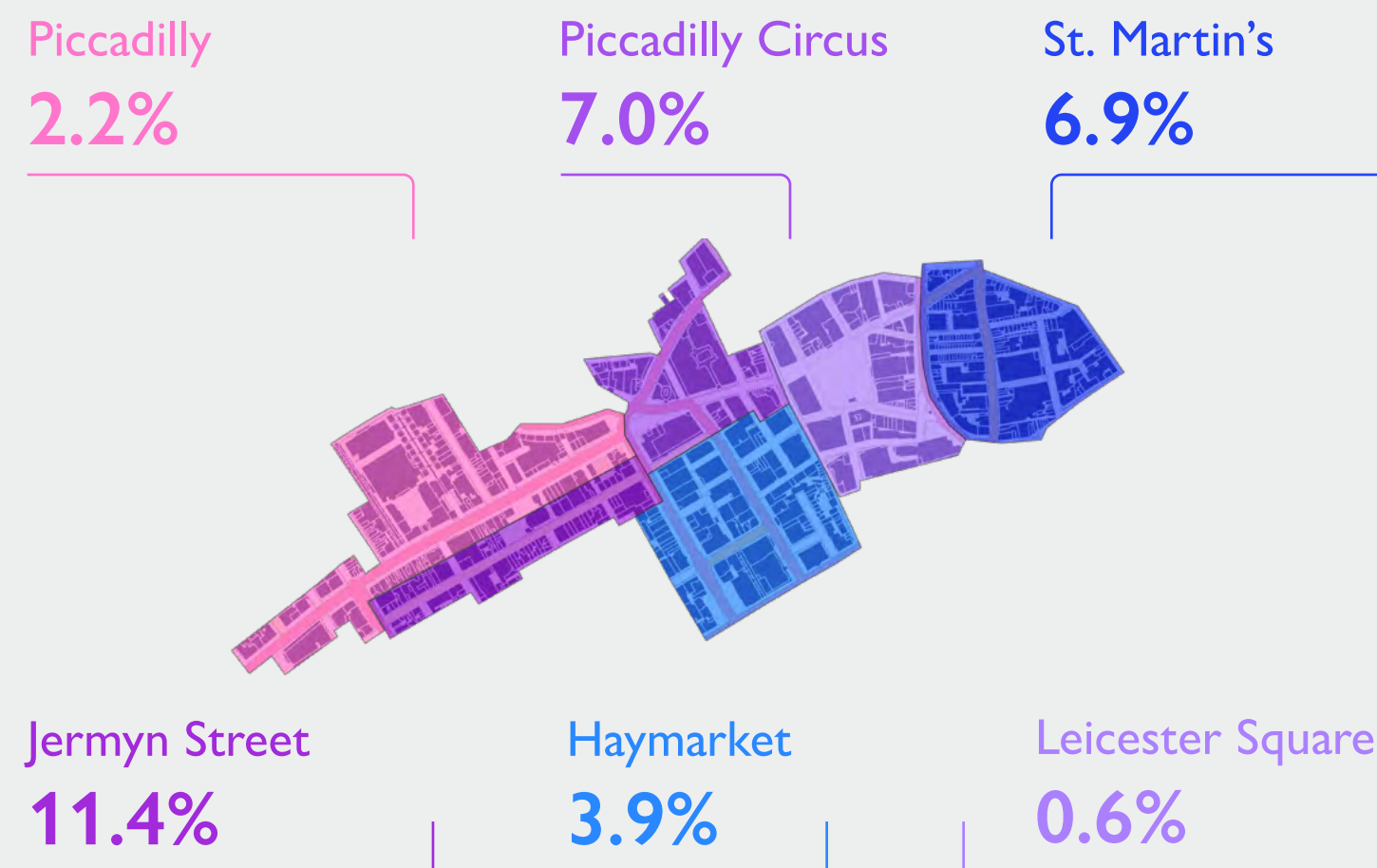
Under Construction (sq ft) **70k** - 102k sq ft from Q1

Properties with Available Space **40** + 2 from Q1

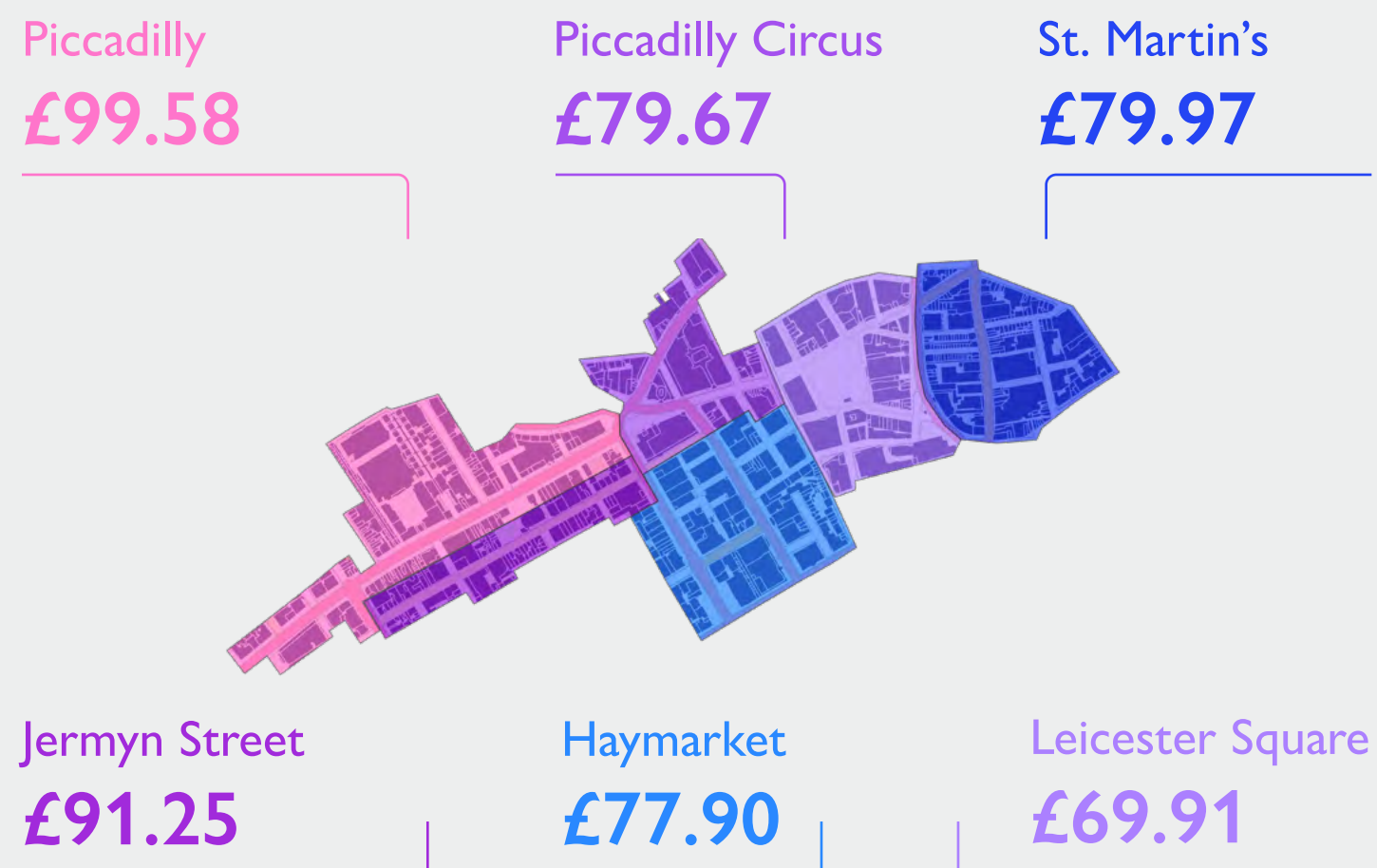
Availability Rate **5.2%** + 0.8% from Q1

DISTRICT-LEVEL ANALYSIS: OFFICE

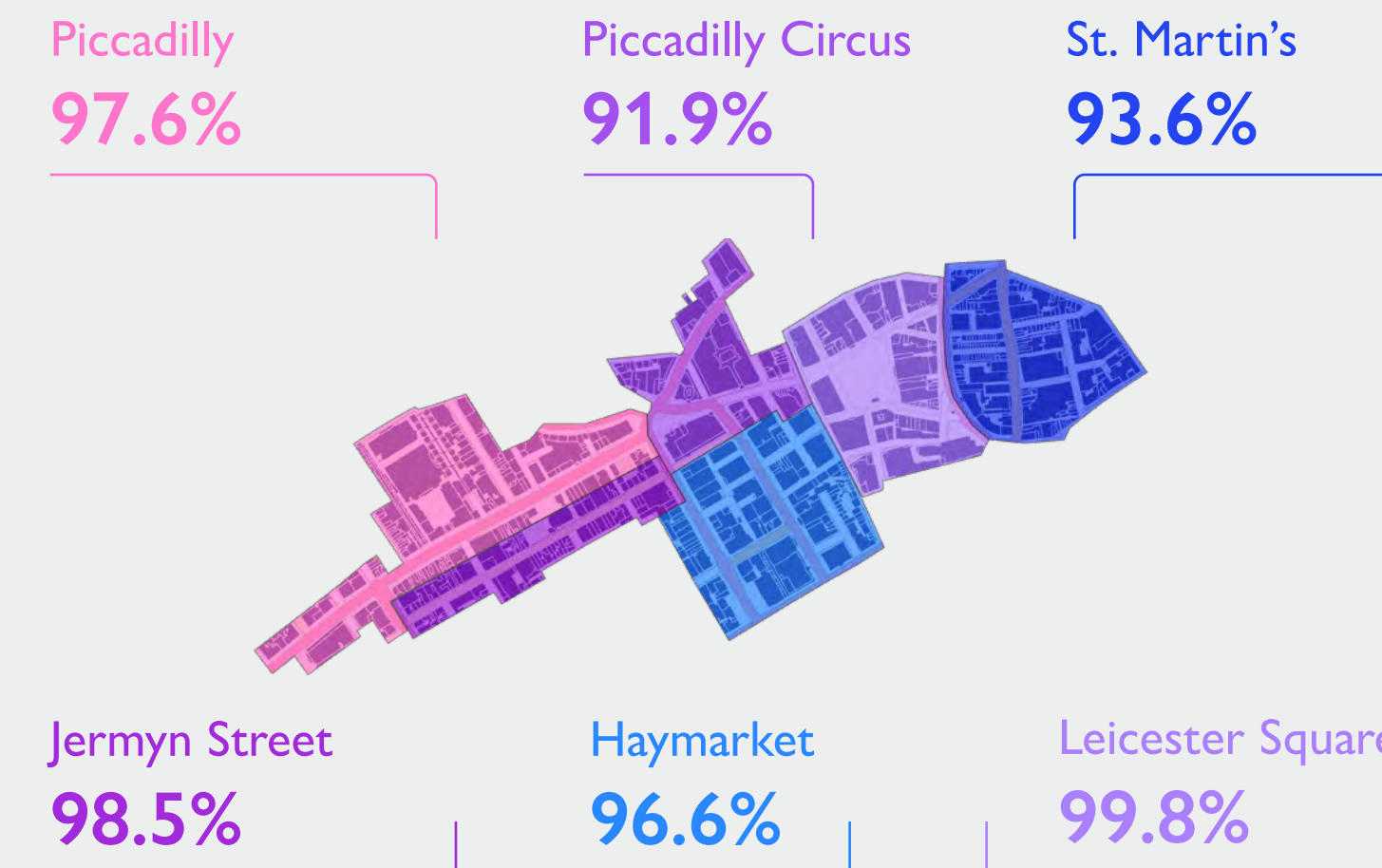
Availability Rate



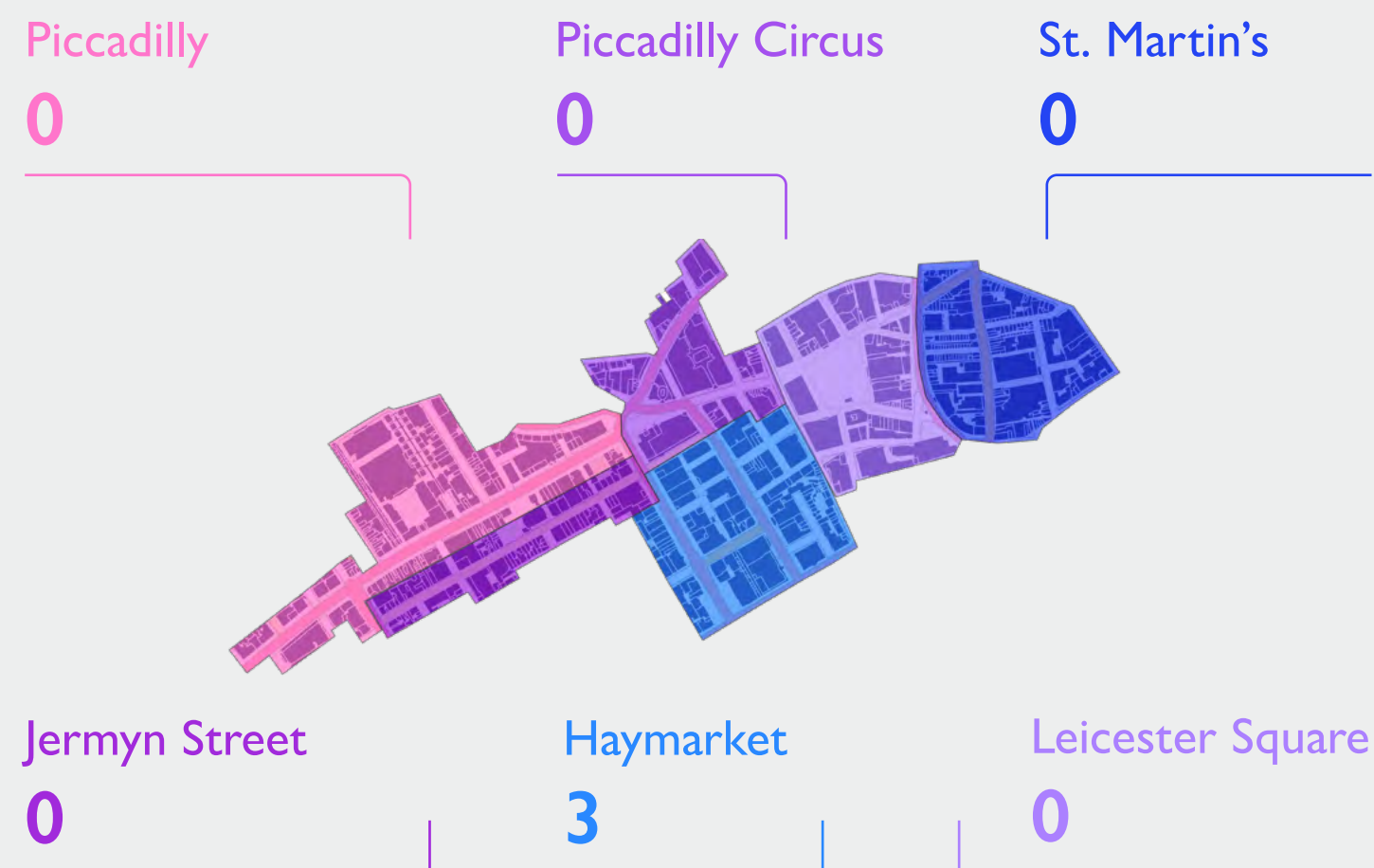
Market Rent Per Sq Ft



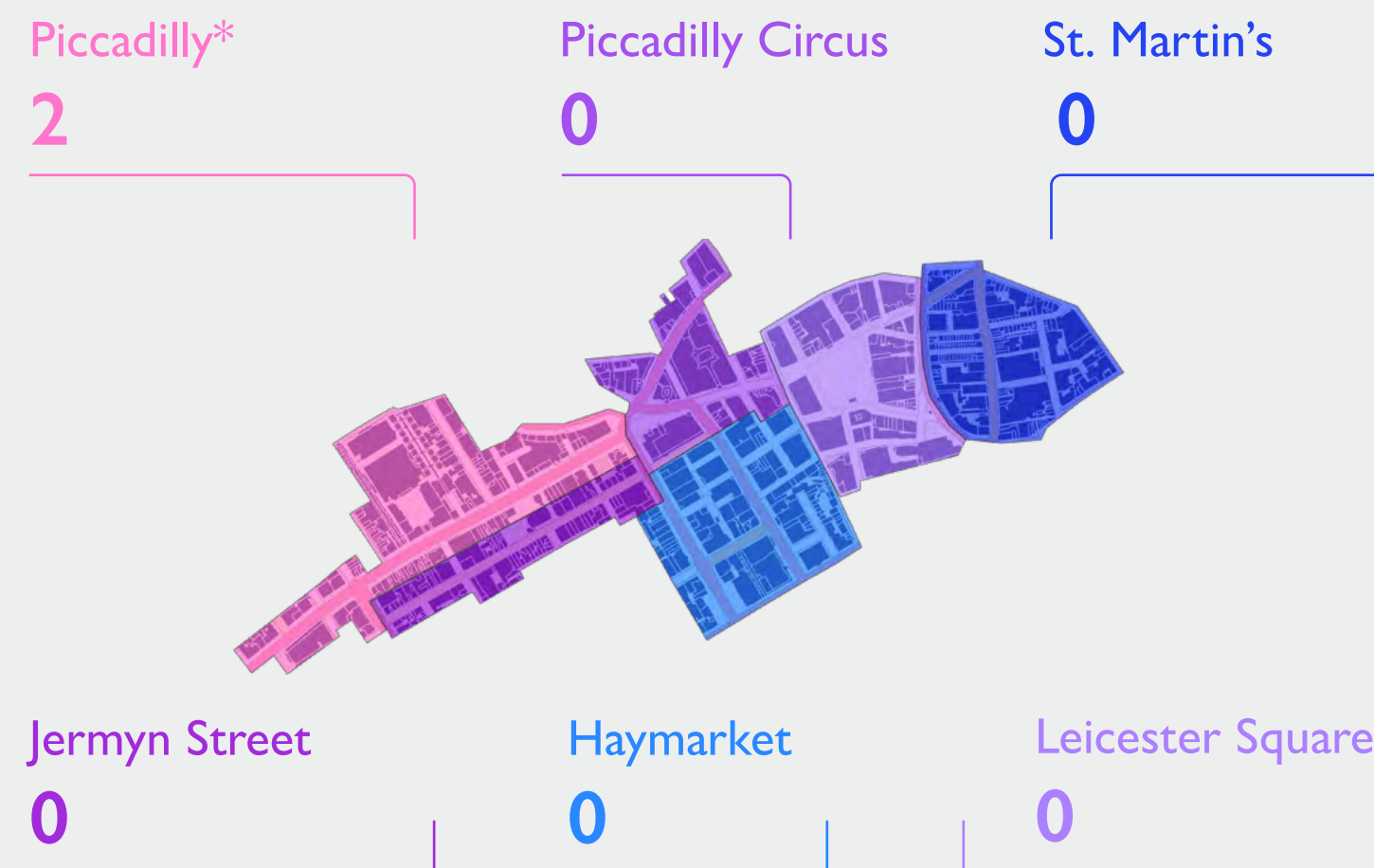
Occupancy Rate



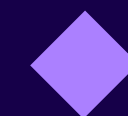
No. of Transactions



Pipeline



Footnote: Data Source CoStar (2024).



THE COMMERCIAL MARKET

The study analysed a range of market factors including transactions, market rents, vacancy, availability, rental growth, new development activity and future supply to analyse demand in the local retail and F&B market and understand the quarter-on-quarter change. The study also considers the wider hospitality and leisure offer across the HOL area.

The commercial market overview examines the full inventory within the HOL area. The retail sector continues to face significant socio-economic challenges across the UK. However, there is a revival in consumer confidence and there are signs that the cost of living crisis is receding. UK shop prices have continued to fall across this quarter, with September demonstrating the lowest rate in more than three years, which suggests that household finances are recovering after an extended period of strain.

Consumer spending trends in the HOL area are explored further within the Insights section on page 24 of this report.

The F&B market continues to grow across the HOL area but the F&B industry faces huge requirements to adapt to variable market forces, particularly the impact of working from home and increasing consumer expectations. The UK is seeing significant expansion of international brands into the UK market, with London high on the requirement list. The sector is also seeing an increase emphasis on value and experience, with tangible growth across the competitive socialising, premium dining and bar markets. Overall, demand for commercial space continues to be projected to increase, particularly in prime locations such as the HOL area.

Sources: CoStar, British Retail Consortium, Savills.

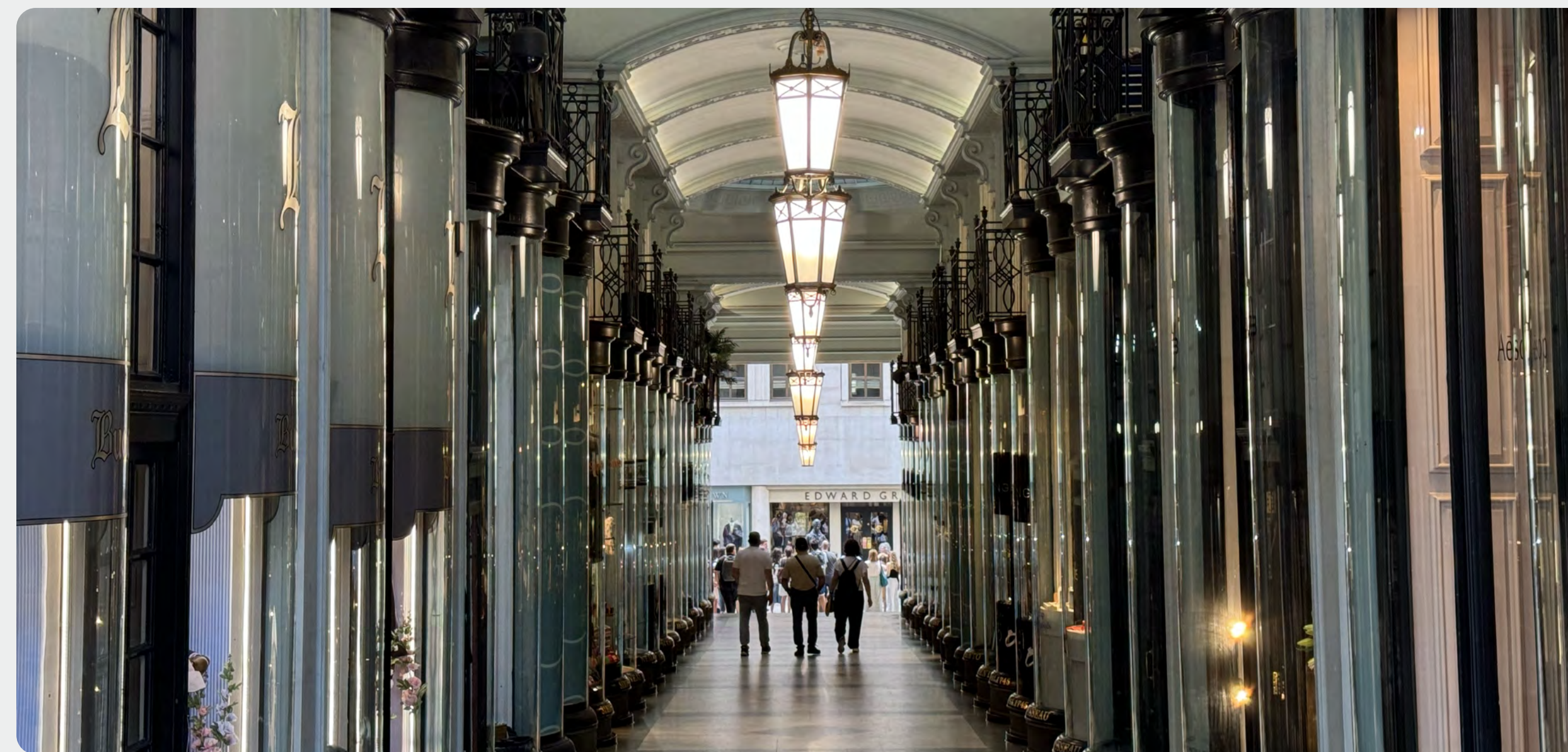


Image Credit: AND London. Location: Piccadilly Arcade

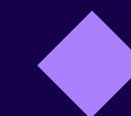
Market Insight Camilla Topham Co-Founder



Distrkt.

The West End has continued to thrive, with the market reflecting the trends in hospitality and leisure for the experience led offer. The hospitality sector continues to face challenges with a less than favourable budget and the impact of the US Election, both of which resulted in a slow market in the lead up. However, operators now know what they are working with, and whilst their costs are rising, they can begin to budget accordingly and hope for more stability in 2025. The pre-Christmas period is a key trading period for hospitality operators and this will set the tone for the forthcoming year.

There remains high demand from both domestic and international occupiers, with the HOL area perceived as incredibly attractive for internationals seeking their first site in the UK. High demand is amplified by limited supply and high occupancy. A recent site marketed on Denman St attracted numerous strong bids from good quality operators, reflecting a picture seen across the West End. The standout market update is the news that Time Out Market is in talks to lease 10 Piccadilly, demonstrating an increasing amount of retail space being converted to F&B/ experiential.



OVERVIEW

Market rent has grown strongly in the HOL area, reaching £103.15 in 2024-25 Q2. This is an increase of £5.09 per sq ft (5.2%) between Q1 and Q2 and is higher than the £99.10 per sq ft average for the West End as a whole (+£2.31/2.4%).

There is currently 60,675 sq ft available commercial space, which makes up 3.2% of the total commercial inventory in the HOL area. This marks a slight increase in availability from the previous quarter, which stood at 2.7% in Q1 of 2024-25. This increase in availability differs from the wider West End, where availability has decreased from 3.0% in Q1 2024-25 to 2.4% in Q2. There are currently eight properties with available space, which is the same as in Q2. Six of these eight properties remain available since the previous quarter.

There was only one leasing deal reported on CoStar from July 1, 2024, to September 30, 2024. At 57 St Martin's Lane, a 648 sq ft ground floor retail space was leased, having been on the market for eight months. A 2,000 sq ft property at 3 New Lane has been taken off the market, although a deal has not yet been reported on CoStar. The eight properties with available space in the HOL area represent 3.6 years' of supply on the market at current take-up rates.

Comparing Q2 with Q1 2024-25, we observe a notable increase in both vacant space (+9.9K sq ft) and the vacancy rate (+0.5%). This net increase in vacant space can be attributed to two newly vacant spaces at 10-10A Old Bond Street (storefront retail, formerly occupied by the fashion brand DAKS Simpson) and 17-18 Irving St (restaurant/F&B, formerly occupied by Stack & Still). This 0.5% increase in vacancy rate may not be significant, but if these more typical commercial units remain on the market for some time, that may be indicative of weakening local demand.

There is currently one property under construction located at 47-48 Cranbourn Street, with construction ongoing since October 2023. The site is located 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 was originally scheduled for delivery in September 2024.

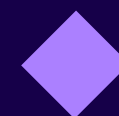
Sources: CoStar. Footnote: Latest available data as of October 2024.

Net Absorption (sq ft)	
Q3 2023-24	15,826
Q4 2023-24	2,264
Q1 2024-25	-28,759
Q2 2024-25	459

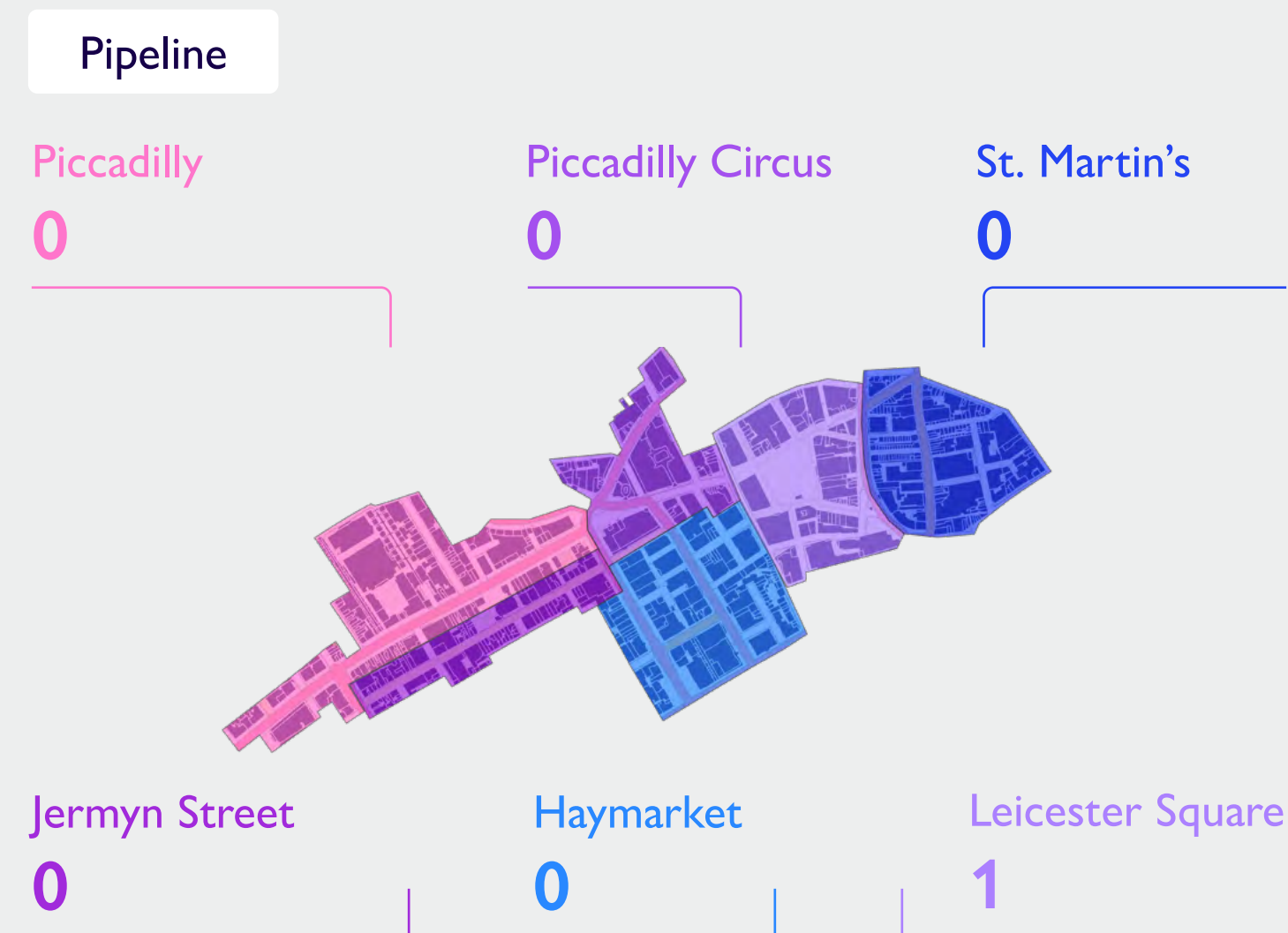
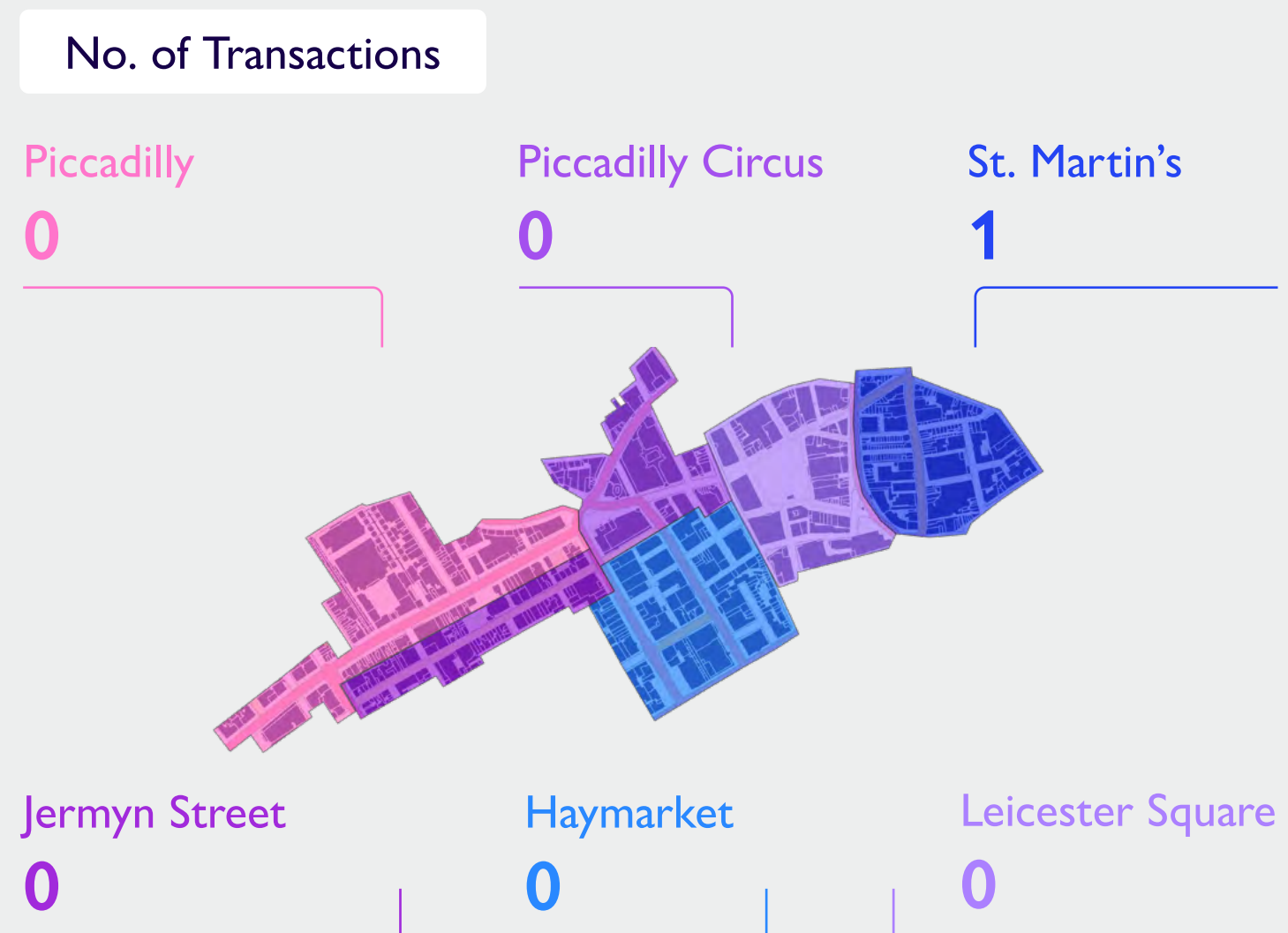
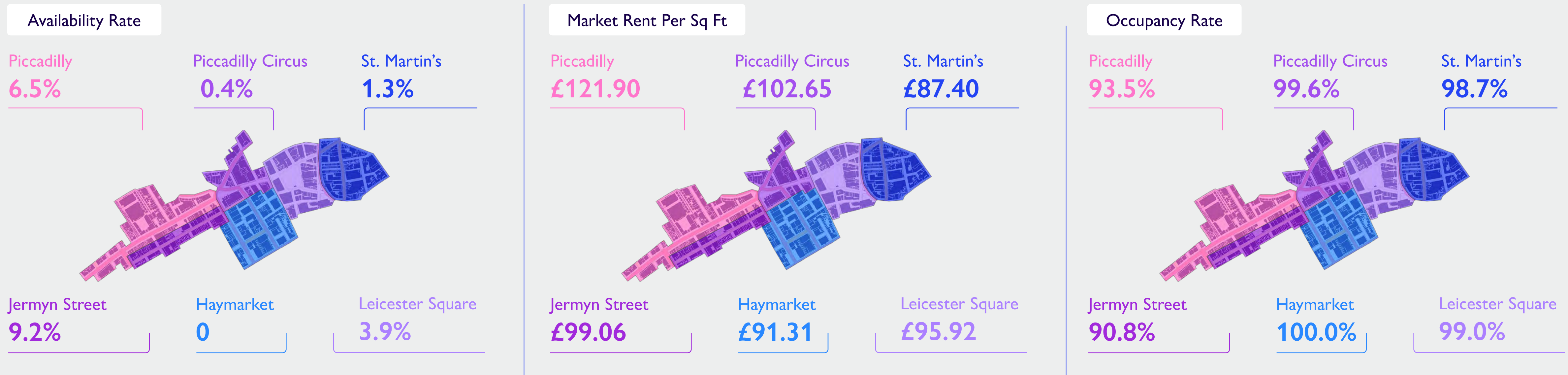
West End Metrics	
No. of Transactions (Q2 2024-25)	12 <small>- 2 from Q1</small>
No. of Transactions (Q2 2023-24)	27
Market Rent per sq ft	£99.10 <small>+ £2.31 from Q1</small>
Vacancy Rate	2.0% <small>- 0.4% from Q1</small>
No. of Years' Supply on the Market	1.08 <small>- 0.35 from Q1</small>
Rental Growth	1% <small>+ 1.4% from Q1</small>

HOL Area Metrics	
No. of Transactions (Q2 2024-25)	1 <small>+ 0 from Q1</small>
No. of Transactions (Q2 2023-24)	1
Market Rent per sq ft	£103.15 <small>+ £5.09 from Q1</small>
Vacancy Rate	2.7% <small>+ 0.5% from Q1</small>
No. of Years' Supply on the Market	3.6 <small>+ 0.4 from Q1</small>
Rental Growth	+1.1% <small>+ 1.3% from Q1</small>

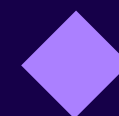
- Total Inventory**
1.9M
 + 0 sq ft from Q1
- No. of Buildings**
172
 + 0 from Q1
- Occupancy Rate**
97.3%
 - 0.5% from Q1
- Vacant Space (sq ft)**
51.7K
 + 9.9K from Q1
- Under Construction (sq ft)**
2,000
 + 0 from Q1
- Properties with Available Space**
8
 + 0 from Q1
- Availability Rate**
3.2%
 + 0.5% from Q1



DISTRICT-LEVEL ANALYSIS: COMMERCIAL



Footnote: Data Source CoStar (2024).



LEISURE, HOSPITALITY AND F&B

3.6%
Availability
in line with
Q1

0.0%
Vacancy
in line with
Q1

0 sq ft
Net Absorption
in line with
Q1*

100%
Occupancy
in line with
Q1

£86.23
Market asking rent
per sq ft
+ £1.72 vs Q1

Properties spend an
average of
6.4
months on the
market
+ 3.1 months vs Q1

Reopening



Jermyn Street's iconic private members club, Tramp, has reopened after a £12m makeover. Since closing its doors in October 2023, Tramp has undergone a major refurbishment after it was taken over by new owners. Tramp reopened its doors in September 2024 at its same location at 40 Jermyn Street.

New Opening



London restaurateur Jason Atherton has opened a new 85 cover brasserie restaurant, Sael in the former Aquavit site in The Crown Estate's St James's Market this summer. Sael will occupy a 9,088 sq ft site in the St James's Market development in Haymarket, which is also home to Fallow and its sister restaurant, chicken concept Fowl.

Future Opening



Criterion Capital has secured the UK's first site for hospitality investment firm Azzuri Group and Dave's Hot Chicken for a corner plot in the iconic Trocadero building. The fast food chain currently only has operations within the USA. The restaurant will open in 3,500 sq ft at Criterion Capital's 40 Shaftesbury Avenue, W1, in December 2024.

Future Opening



Well-established restaurant and catering group Claro will open their first flagship establishment outside of the Middle East at the Crown Estate's 12 Waterloo Place. The London opening, set for autumn 2024, will be the first of several Claro restaurants in major cities. Claro will occupy 7,793 sq ft in a heritage building and will feature substantial outdoor seating. The restaurant will serve lunch, dinner, and brunch on weekends.

Best Bar None Awards



Held at bar and event space Neon 194, at 194 Piccadilly, the Best Bar None awards ceremony was held on 11th September 2024. The awards are designed to celebrate the dedication of licensed venues in upholding exceptional industry standards, cultivating safer environments, and helping customers to identify well-run pubs, bars, clubs, and other hospitality venues. Read the HOLBA press release [here](#).

Future Opening



Time Out Market is in talks with the Crown Estate to bring its world class food market to London for the first time. Time Out launched an £8m share sale to back the deal for a new hall at 10 Piccadilly and 55 Regent Street, W1. The hall will occupy 27,932 sq ft of space across the basement, ground and first floors and is subject to a pending change-of-use application.

*There was no change in occupier floor space in the most recent quarter.

Footnote: The above figures include properties categorised under specific CoStar Secondary Types (Bar/Nightclub, Casino, Fast Food, Hotel, Movie Theatre, Restaurant, Quick Service, Theatre/Concert Hall). These are considered to fall under the broad headings of leisure, food and beverage, and hospitality, in markets where CoStar produces analytics.

THE HOTEL MARKET

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, and 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.

Despite the first financial quarter seeing the decline in occupancy quarter-to-quarter, the area has seen an increase year-on-year, and RevPAR and ADR are both up quarter-to-quarter. 2024 has delivered a summer of sport and entertainment in London and across Europe, which has bolstered the local market. The increase in international tourism has been a major driver of London's hotel market performance and the ongoing recovery of overseas visitors has

significantly contributed to positive occupancy rates and ADRs across the Capital. It has been forecasted by Visit Britain that international visitor numbers will increase across the UK by circa 4% year-on-year. Despite the positive outlook, it is expected that the Presidential election in the US and conflict in the Middle East could impact travel from those markets across the next quarter. Looking ahead, there is set to be significant growth of the luxury hotel offer in the coming years, with at least 15 hotels in the pipeline to open between 2023 and 2025, adding over 2,500 rooms across London. Existing operators are responding by reviewing their position in the market, undertaking refurbishments and expanding their experiential offer to keep pace.

Sources: CoStar, Knight Frank, Visit Britain.



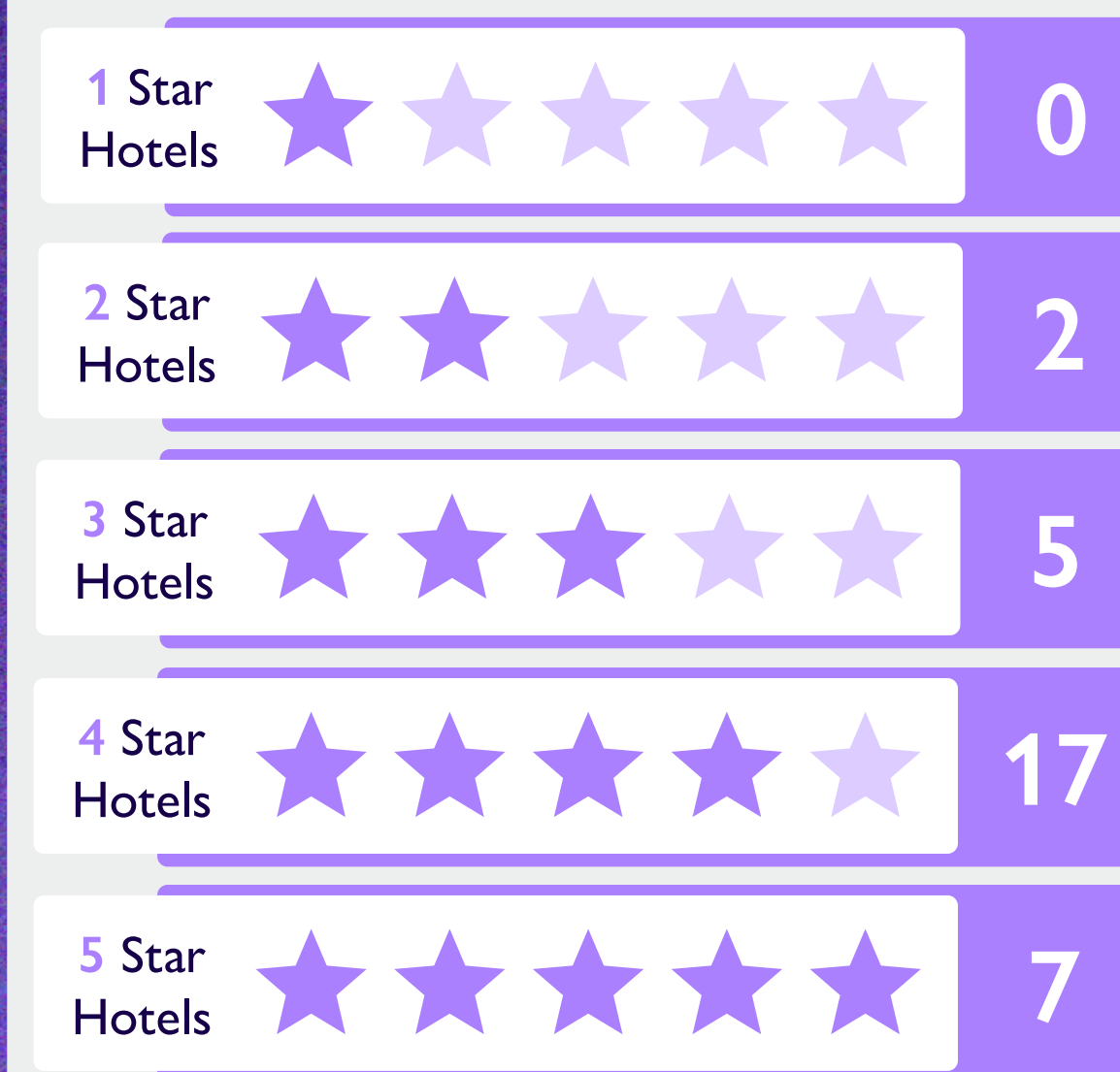
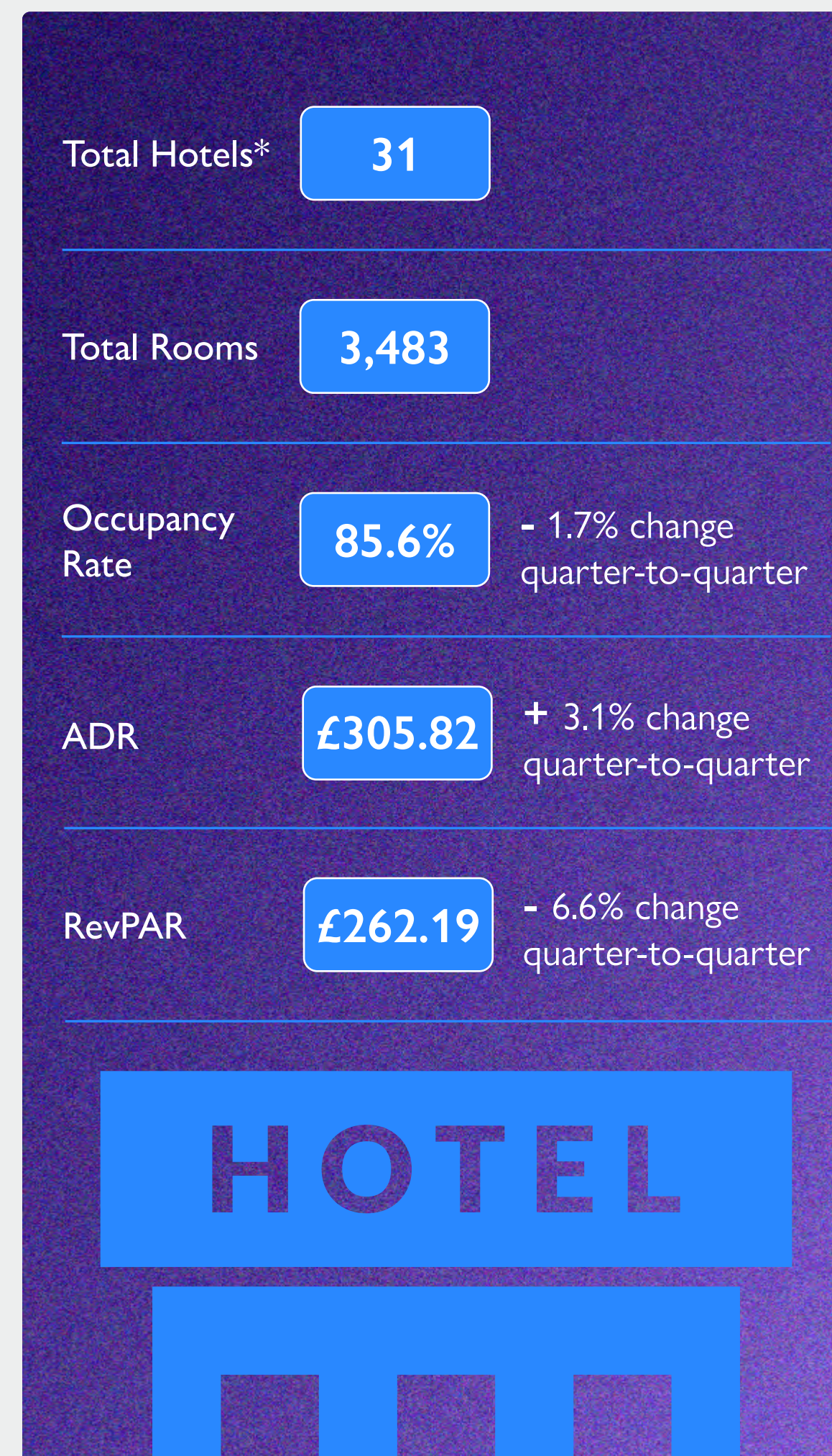
VACANCY, REVPAR & ADR

The HOL area currently hosts 3,483 hotel rooms across 31 hotels and serviced apartments, with an occupancy rate of 85.6% this quarter. This is down from 87.3% occupancy last quarter, but an increase from 83.2% this time last year (Q2 2023-24). July, August and September saw year-on-year increases in occupancy rates ranging from 1.7% to 2%. This is despite travel-related prices, including accommodation and eating and drinking costs, being expected to rise by up to 5% compared to Q2 2023-24, according to industry experts (Oxford Economics, 2024). In the HOL area, the ADR currently stands at £305.82, this is up slightly from the previous quarter (£296.59) in line with seasonal trends and is equivalent to a 0.4% increase in ADR year-on-year. Consequently, RevPAR has risen by 4.5% compared to last year, indicating that improvements in both occupancy and ADR are driving hotel revenue growth in the HOL area - revenue in Q2 2024-25 was over £84 million, up £3.6 million (+4.5%).

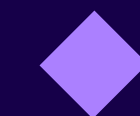
As global tourism rebounds, especially from international markets, research indicates optimism for short, medium and long-term tourism growth. A study conducted by Oxford Economics found that 37% travellers are expecting to spend more on travel in 2024 than they did 2023. This presents an opportunity to focus on attracting a higher-end demographic, particularly those interested in luxury and experiential travel, who are willing to invest in premium experiences despite rising costs. Given that luxury operators

make up 39% of all rooms in the area, providing 1,356 rooms, the HOL area is well-positioned to capitalise on this trend. Additionally, the next highest proportion of hotel rooms is the Upscale offering, with 1,078 rooms constituting 31% of the hotel offering.

Overall, the hotel market in the HOL area has continued to show growth in key performance metrics for the third quarter of 2024, despite rising travel-related costs. This quarter has seen a growth in key performance metrics compared to Q3 2023, with occupancy, ADR and RevPAR all in a good position to see future growth. Particularly from international markets, the area is likely to continue to experience high demand from visitors attracted by the HOL area's unique cultural and historical significance.



*Hotel total includes serviced apartments
 RevPAR Definition: Revenue per available room.
 ADR Definition: Average Daily Rate.



INVESTMENTS

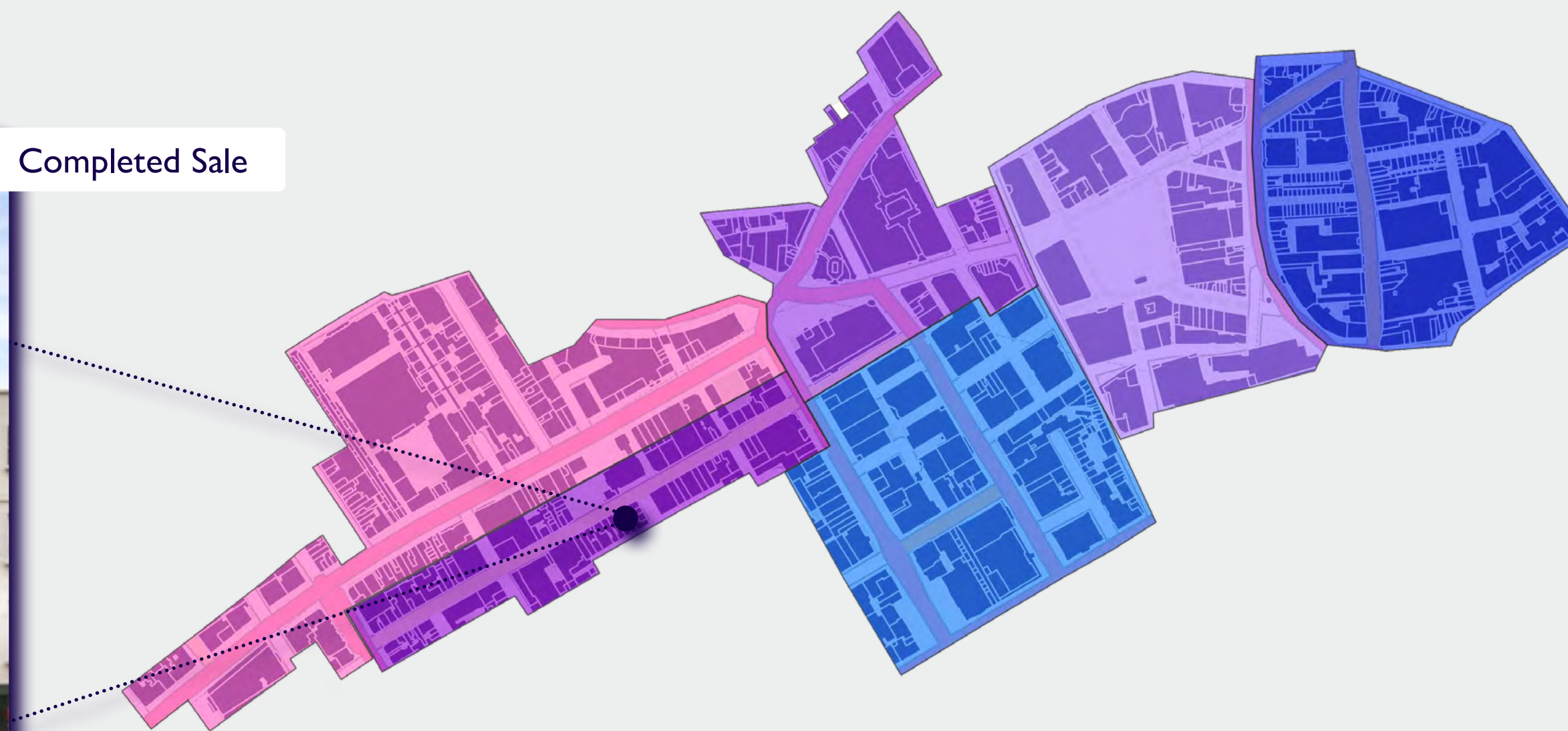
There was one confirmed property sale in the HOL area this quarter. A 3-star office unit at 92 Jermyn St totalling 8,312 sq ft was sold by Charles Street Buildings Group to Lone Star Funds, as part of a 62-property portfolio in September for £9,388,985.

Knight Frank, reporting on investment in the wider West End market, state that while investment volumes fell marginally (-1.7%) to £0.98bn in Q1 2024-25 (latest quarter reported), prime yields remained stable at 3.75%. The report also states that significant signs of recovery in London’s investment market are beginning to appear. Amid the backdrop of lowering interest rates, falling inflation, a newly stable government, and expansionary economic activity, investment transactions in Q1 2024-25 rose by 35.6%. While this is not yet reflected in a surge of transactions in the HOL area and across the West End, it is likely that activity will increase in coming quarters.



92 Jermyn Street

Completed Sale



8,312

sq ft Transacted

£1,130

Average price per sq ft - c.a

£9.4M

Total Value

Market Insight Mark Shipman



michael elliot

Across the HOL area, the office letting market for new and refurbished Grade A is performing well, but there is still a shortage of prime refurbished offices in the West End.

One part of the HOL area that is seeing significant change is Jermyn Street. Motcomb Estates has recently launched its 64,500 sq ft refurbishment of 33 Jermyn Street. The building, which was purchased back in 2018, features triple aspect floor plates, 2.85m floor to ceiling heights and a communal terrace on the eighth floor. Rents range from £170 per sq ft to £200 per sq ft.

Planning consent was granted in this quarter for 103-105 Jermyn Street, for the full refurbishment and extension of the mixed-use building, which will deliver circa 4,600 sq ft net uplift of floor space. The building is owned by Zero Carbon Space Ltd (ZCS) – a development platform from NorthStar Capital and LandCap. Proposals include an additional storey and roof terraces. The building is targeting BREEAM Excellent and is set to deliver further prime office space for the area.

INSIGHTS

Our Insights focus on a range of metrics and review data ranging from footfall numbers, visitor demographics, social media mentions, as well as any key publications, announcements and consultations from stakeholders across the HOL area.

The insights are considered against a complex backdrop, with UK politics, inflation, the environment, international events, and seasonal fluctuations all playing a role.

Following a significant cyber security incident, TfL has ceased reporting London underground tube ridership data publicly. They are working hard

to restore their internal and customer-focused systems, which were impacted, as part of their response. We will resume the reporting of this data as soon TfL recommence their publication.

We have identified an anomaly with the Highstreets Data Service (HSDS) MasterCard spend data. The HSDS's data science team are investigating the cause of the anomaly, but in order to ensure we only report data we know to be accurate, we have made the decision to withhold publication of this information until we are confident in its veracity.



FOOTFALL

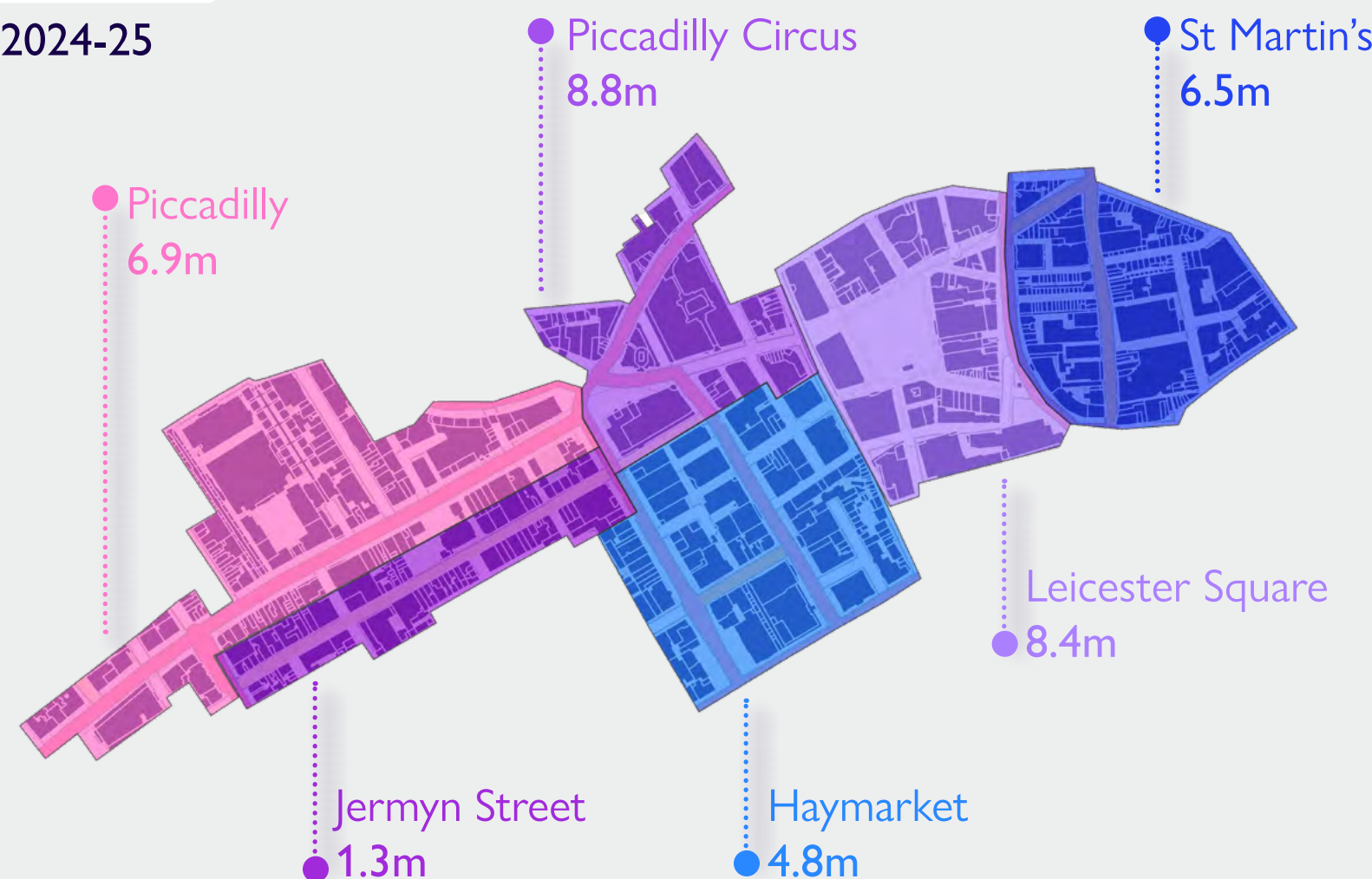
Between July and September 2024, footfall in the HOL area reached 22.6 million, with 14.4 million domestic visitors and 8.2 million international visitors. This accounted for 29.7% of total foot traffic in the West End. August saw the highest footfall, with over 8.3m visitors, driven by events like London Theatre Week and Kids Week, along with summer tourism and school breaks.

Although footfall remained steady throughout the quarter, September saw a slight dip to just over 6.9 million visitors which is typical for the time of year with cooler weather, schools reopening, and a tourism slowdown.

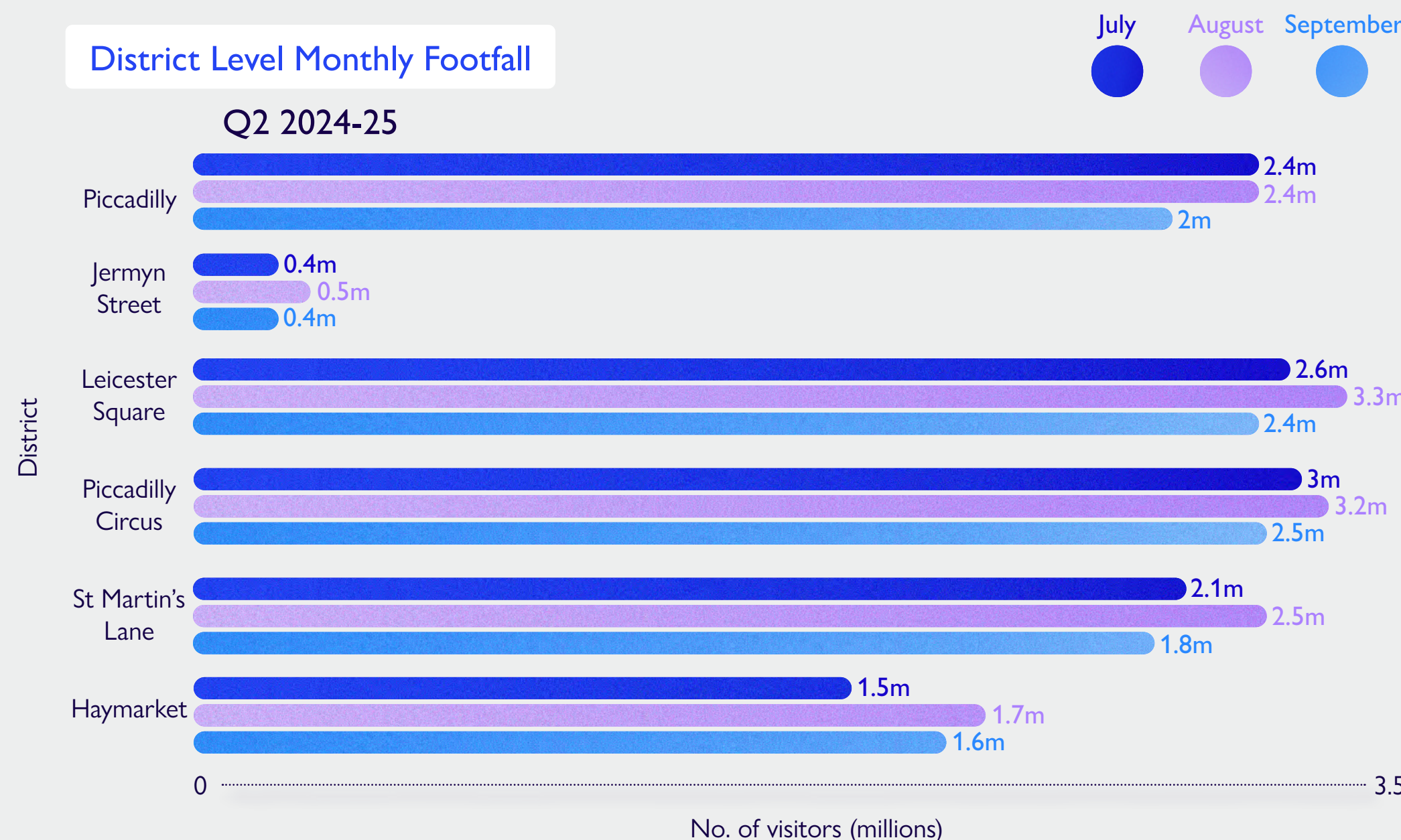
Among HOLBA's districts, Piccadilly Circus recorded the highest footfall at 8.8 million, followed by Leicester Square with 8.4 million. All six districts' footfall peaked over the summer months, with a dip in September. Leicester Square saw both the biggest rise in footfall between July and August (0.7 million visitors) and biggest drop between August and September (-0.9 million visitors).

Looking at the quarter-to-quarter change, the HOL area experienced a 13.5% rise in footfall compared to the previous quarter (Q1 2024-25). International visitors increased by 23.5%, while domestic visits rose by 8.5%. Leicester Square led the growth with a 16.4% rise in footfall, followed by St Martin's Lane at 13.8% and Piccadilly at 13.5%.

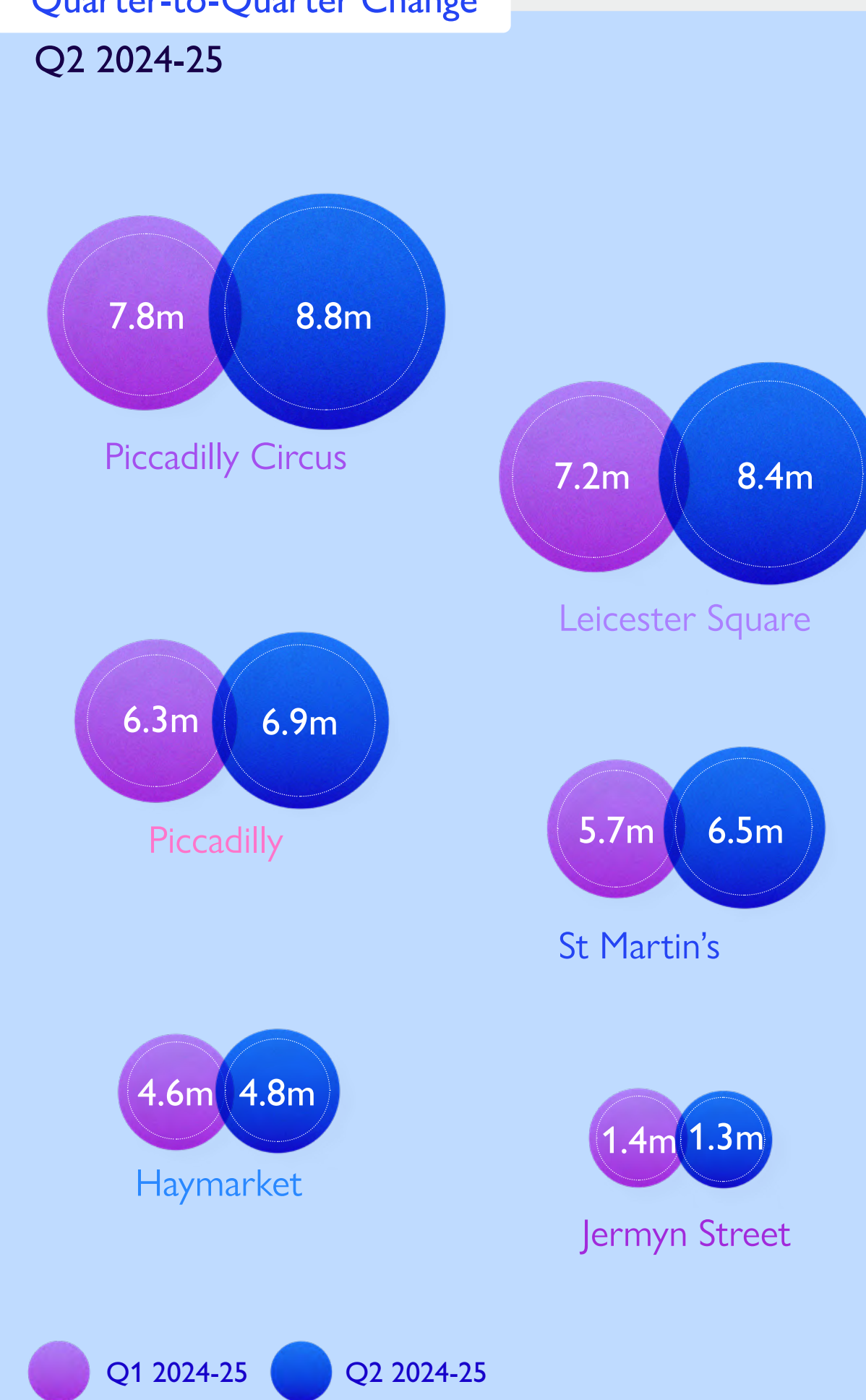
Total Footfall
Q2 2024-25



District Level Monthly Footfall



Quarter-to-Quarter Change
Q2 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.

Footnote: Latest available HUQ footfall data from Colliers (2024).

VISITOR DEMOGRAPHICS

The HOL area attracts a broad range of visitors, drawn by its high-end retail, cultural landmarks, and vibrant mix of entertainment and leisure.

According to London's Cultural Tourists report, younger visitors under 34 are often inspired by iconic landmarks and viral attractions they have seen on social media and appreciate affordable, accessible experiences. 35-59 year old working age adults are attracted by cultural experiences and architecture, which aligns well with the HOL area's offering of a rich mix of work and cultural attractions. Older visitors (60+) are attracted to the HOL area's established cultural events, such as West End shows, which hold particular appeal for this demographic.

Between July and September 2024, 57.6% of visitors to the HOL area were within the 30-59 age range - an indication of the area's appeal to working adults who have more disposable income and are likely established in their careers. The largest age group was the 30-44 range, making up 32.8% of all visitors. Occupational data reflects this trend, with most visitors to the area working 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.

Mosaic segmentation groups the UK population by shared characteristics in employment, education, lifestyles, and other traits that enable the complex demographic profiles of local areas to be more easily understood. The top three Mosaic segments represented in the visitors to the HOL area collectively make up almost half of all visitors and explain the high presence of working-age professionals in the area.

Urban Cohesion

Households from city suburbs, including families and retirees. Employment in both well-paid city roles and basic wage jobs, with a high reliance on public transport and often long commutes.

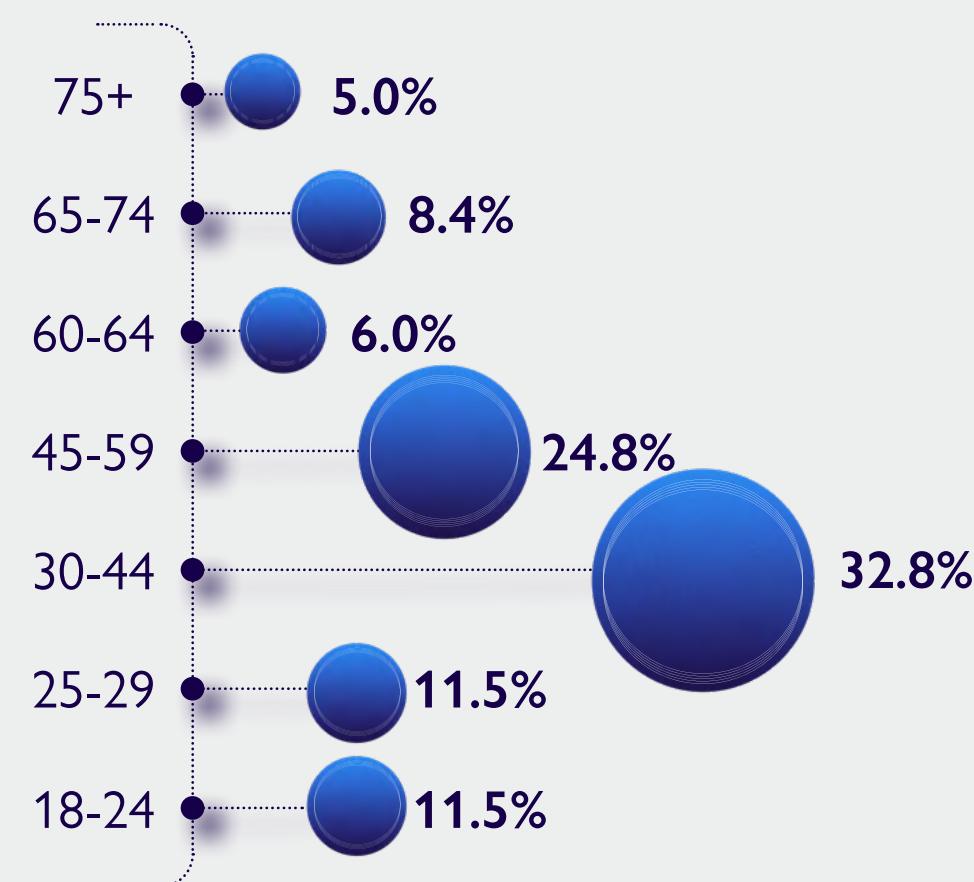
City Prosperity

High-status city residents with demanding, high-profile jobs, earning between £100k-£149,999, who frequently commute to central London using private transport.

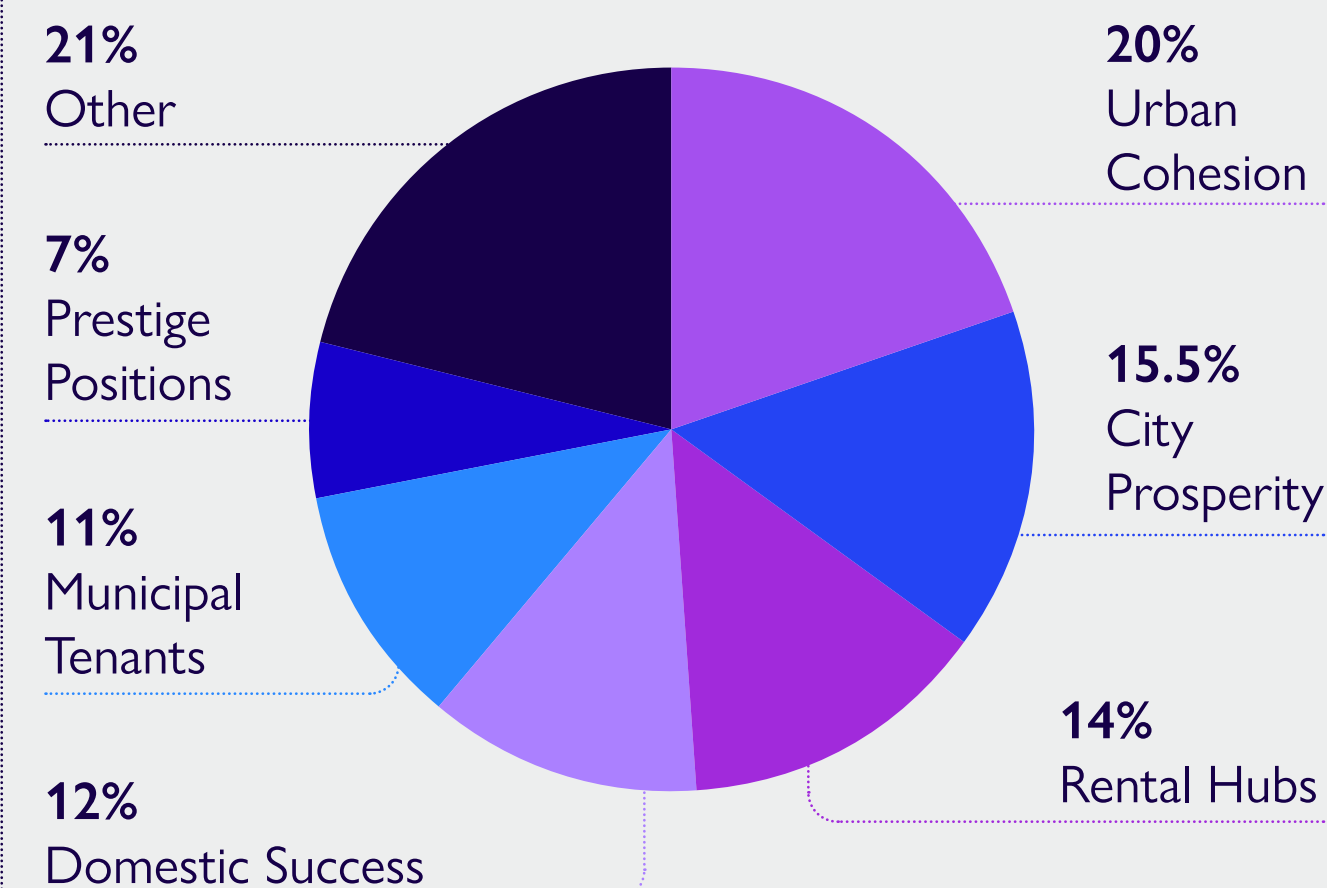
Rental hubs

Reasonably fresh university graduates, living in privately rented accommodation, beginning strong careers and earning between £30k-£39,999.

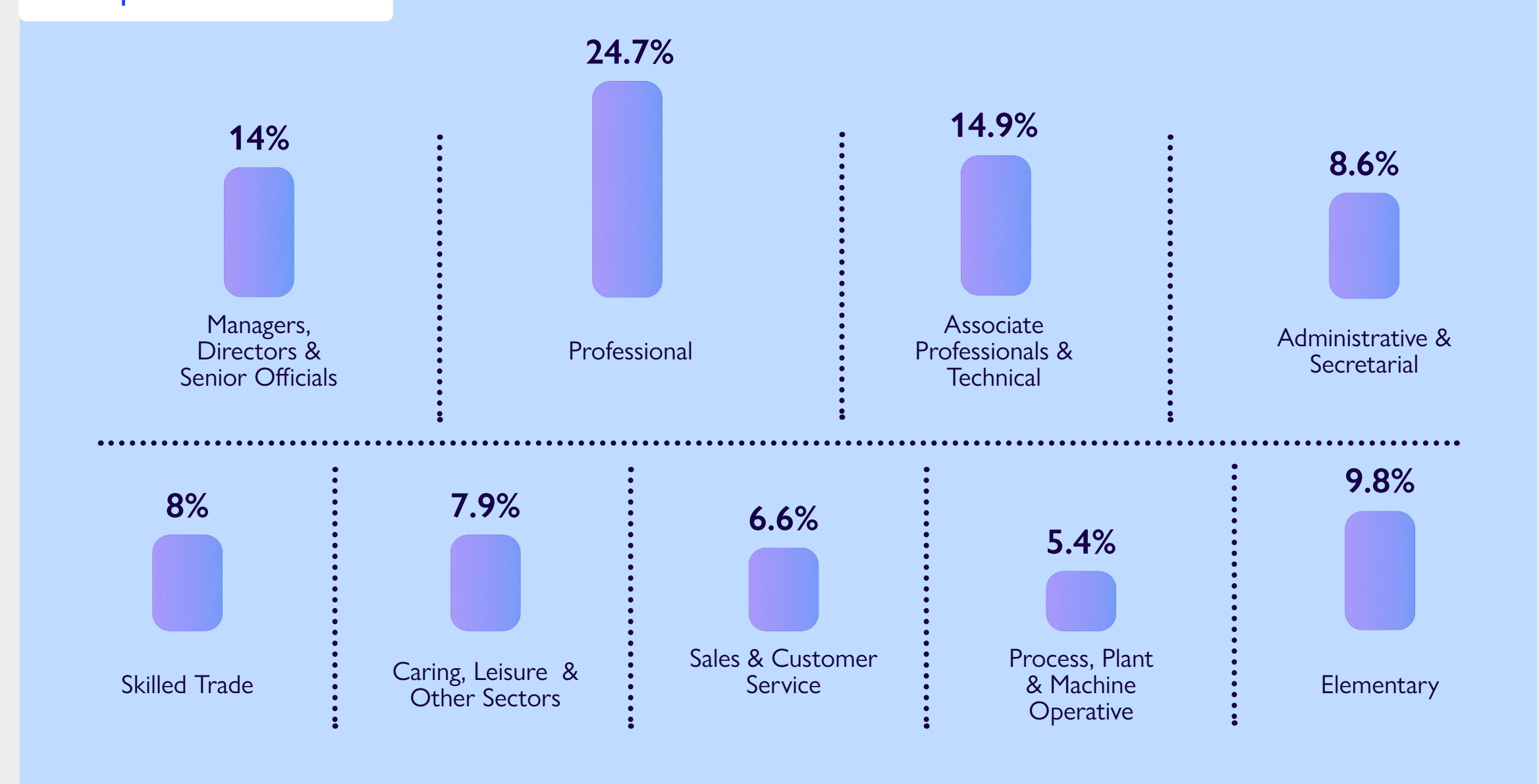
Age of Visitors



Mosaic Segmentation



Occupation of Visitors



Footnote: Latest available footfall data from Colliers (2024) London's Cultural Tourists report by London & Partners

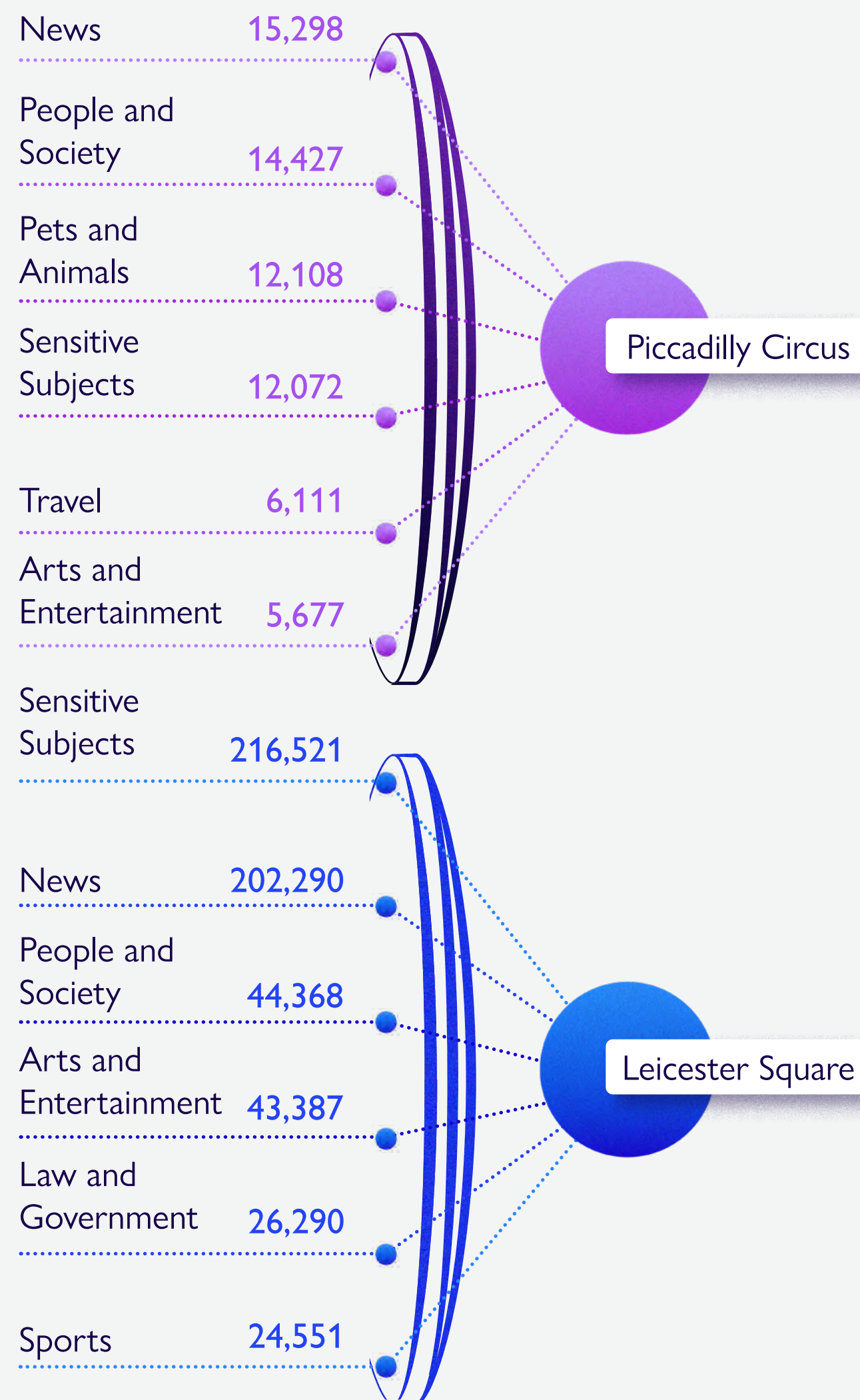
SOCIAL MEDIA

The Social Media analytics data from Meltwater for July 2024 to September 2024 provides valuable insight 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 a focus on arts and entertainment, people and society, as well as news and current affairs, including some sensitive subjects. This highlights the area's significance as a globally renowned cultural landmark, a popular tourist destination, and a vibrant hub of activity.

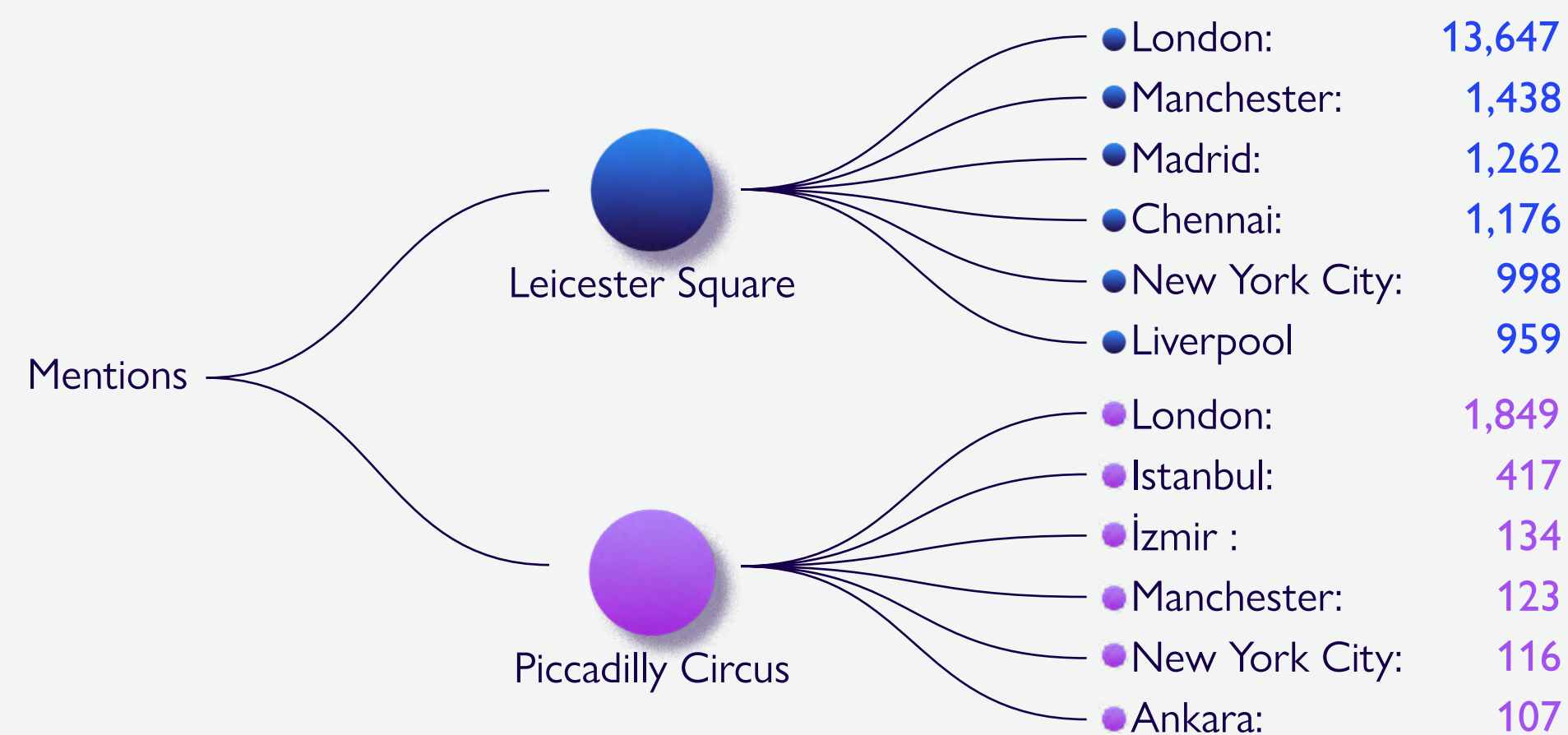
Piccadilly Circus generated a significant volume of social media mentions during the reporting period, with a strong focus on topics like News, People & Society, Pets & animals, Sensitive Subjects (such as crime or protests), Arts & Entertainment, and Travel. The global reach of Piccadilly Circus is evident, with the highest number of mentions coming from the United States, Turkey, Germany, and Canada, in addition to the United Kingdom.

Leicester Square saw even higher engagement on social media, particularly around topics like Sensitive Subjects, News, Arts & Entertainment, and People & Society. There was a spike in social media mentions due to a high-profile stabbing incident in August and various protests that took place throughout the quarter. Besides the UK, most mentions came from the U.S., India, Spain, and France.

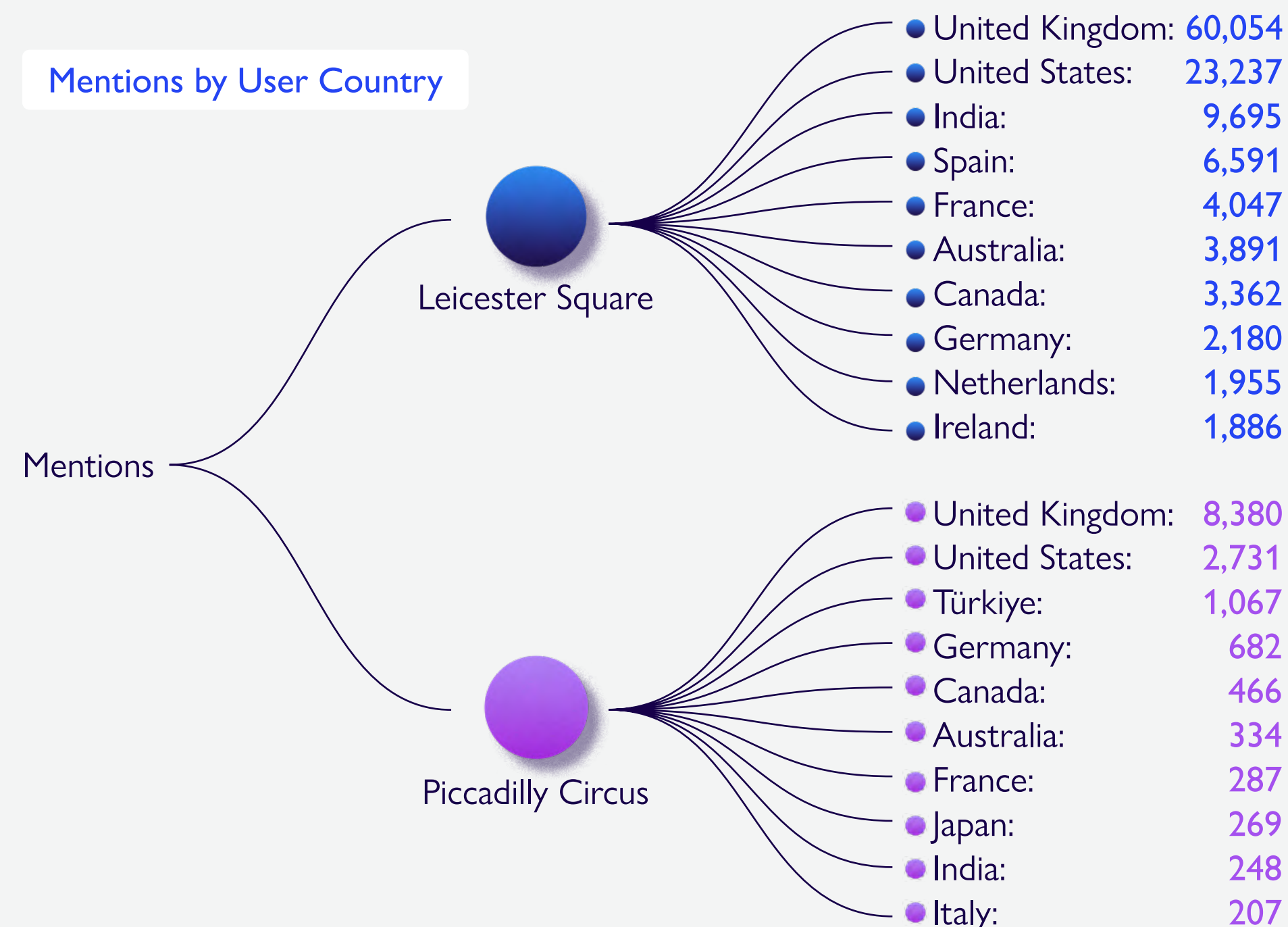
Mentions by Topic



Mentions by User City



Mentions by User Country



PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

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

Pedestrianisation of Oxford Street - Mayor of London



In September 2024, the Mayor of London announced the proposals in a press release to transform world-famous Oxford Street. The proposals focus on delivering a traffic-free pedestrianised avenue, creating a beautiful public space. Oxford Street is located outside of the HOL area, but forms a key part of the West End. It is a significant contributor to the London economy and welcomes more than 500,000 visitors every day. It generates approximately 5% of the capital's economic output (GVA), the equivalent of £22.75bn (in 2019). The plans are backed by the new government and would ensure Oxford Street becomes a driver of London's economic prosperity into the future. The Mayor, Sadiq Khan, wants Oxford Street to "once again become the leading retail destination in the world."

The proposals would deliver a much-improved experience for shoppers, residents, workers and tourists visiting Oxford Street and the surrounding area. The hope is that a revitalised, pedestrianised Oxford Street would increase visitor numbers, create new jobs and boost

growth in London and across the UK. Supported by ministers, the Mayor confirmed that he intends to designate a Mayoral Development Area to bring forward the regeneration. As part of this, the Mayor is proposing that a Mayoral Development Corporation (MDC) is established, which will have planning powers to provide the framework for delivery of the scheme. It is understood a new design team will be appointed to develop proposals.

The press release was accompanied by statements of support from key political figures and industry leaders. Dee Corsi, Chief Executive of New West End Company, commented: "The Mayoral Development Corporation for Oxford Street marks a significant step forward in transforming one of London's most iconic streets and highlights its crucial role in the city's growth. The West End, a key driver of the UK's economy, generates 3% of the nation's economic output and is central to our city's retail, leisure, and hospitality sectors. This revitalisation will not only enhance Oxford Street but also bring economic benefits to all Londoners and the wider UK economy".



West End Ward - By-Election Results



In August 2024, a by-election was called for the West End Ward after the resignation of Cllr Jessica Toale, who was elected as MP for Bournemouth West in the July general election.

On 19 September, Tim Barnes, the Conservative candidate, secured victory over Labour's Fiona Parker by a margin of 130 votes, returning as West End Ward Councillor after a two-year hiatus. The by-election saw a turn-out of the electorate of just 1,284 people, representing 16.8%. This result leaves the ward with a political split: two Labour Councillors and one Conservative.

Cllr Barnes returns as a councillor after two years. He previously served alongside the former MP Nickie Aiken, during their tenure on the Council when it was under Conservative leadership. Prior to his defeat in 2022, he had a term as a ward councillor and held the position of Cabinet Member for Young People and Learning. He is expected to play an active role in planning matters and with local businesses and landowners.



PUBLICATIONS, ANNOUNCEMENTS & CONSULTATIONS

Purple Flag Accreditation for Leicester Square and Piccadilly Circus



The Leicester Square and Piccadilly Circus area has once again been awarded the Purple Flag accreditation for its evening and night-time economy (ENTE).

Purple Flag is an internationally recognised accreditation programme by the Association of Town and City Management (ATCM) for 'Excellence in the Evening and Night-Time Economy.' Areas awarded the Purple Flag provide a vibrant and diverse mix of dining, entertainment and culture while promoting the safety and wellbeing of visitors and local residents. This prestigious award recognises the area's blend of entertainment, dining, culture and commitment to achieving net-zero.

Read the full announcement [here](#).

Read HOLBA's Evening and Night-Time Strategy [here](#).



The Fairer Economy plan - Westminster City Council



In October 2024, Westminster City Council (WCC) published its updated Fairer Economy plan, highlighting past achievements and future goals aimed at fostering sustainable and inclusive growth within the city.

The plan continues to support business growth, revitalise high streets and the West End, and enhance employment and education opportunities for residents. Key achievements include launching the Sustainable City Charter, with 75 businesses committed to achieving net-zero, providing free commercial spaces to new brands through the Meanwhile On programme, and collaborating on the Westminster After Dark strategy to improve the night-time environment.

Looking ahead, WCC plans to help small businesses meet the 2040 Net Zero City goal, increase spending with local enterprises, and launch three new affordable enterprise spaces by encouraging new conversations and partnerships to achieve a more inclusive economy for all.

Read the full plan [here](#).



Inclusive Spaces and Places: A collaborative approach to inclusive design - The Crown Estate



The Crown Estate has published its Inclusive Places and Spaces Report, in collaboration with Grosvenor. This joint report highlights the urgent need for inclusive design in the built environment, emphasising the barriers that prevent millions from fully engaging with public and commercial spaces.

The report is rooted in engagement and reflects findings from a series of lived experience workshops, interviews and surveys. It is a call to action and makes the case for inclusive design, noting that property owners and developers play a pivotal role in shaping people's lived experiences, and there are clear opportunities and risks that compel these stakeholders to act.

Together, they clearly lay out the key barriers to change and present a set of tools for actionable change, with both The Crown Estate and Grosvenor making commitments to ensure their spaces and places are inclusive in practice.

Read the full report [here](#).



METHODOLOGY

1

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.

2

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.

3

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.

4

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

5

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; Colliers; Centre for Cities.

Sources

Barclays; CoStar; Ernst & Young LLP; Experian; ExperienceUK.org; Mastercard; ONS; Oxford Economics; Savills; SOLT Allied Market Research; Visit Britain; Vusion Group; Westfield; YouGov

Sources

Colliers; HOLBA; HUQ; London & Partners; Mastercard; Meltwater

Sources

AND London

Sources

HOLBA; Mayor of London; The Crown Estate; Westminster City Council

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