

London *Activity Monitor*

July 2021

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Summary



London Activity Monitor July 2021

A review of high frequency data impacting the London economy.

- Continued strong recovery in the London economy.
- FTSE has fallen slightly in recent weeks.
- Gradual recovery in Underground journeys but still below 2019 levels.
- Journeys to work remain low.
- Air traffic recovers around the globe but not in London.
- Road congestion above pre-pandemic levels.
- Luxury hotel occupancy and room revenues remain low but highest since March 2020.

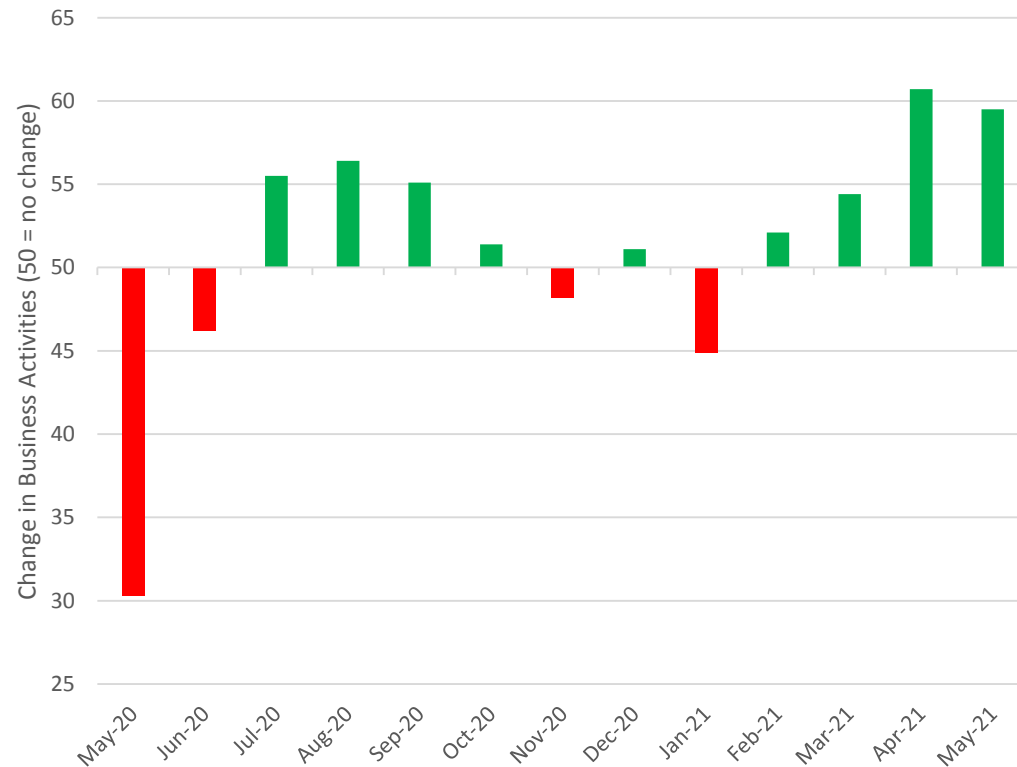
Key London Indicators

	Trendline	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Monthly-on-month change	Year-on-year change
Monthly UK GDP Index		78.8	86	92.2	94.3	95.5	96.3	94.2	95.1	92.7	93.3	95.3	97.5	98.1	0.6%	24.5%
London PMI		30.3	46.2	55.5	56.4	55.1	51.4	48.2	51.1	44.9	52.1	54.4	60.7	59.5	-1.2	29.2
London Unemployment		5.1%	4.6%	5.0%	5.3%	6.0%	6.3%	6.9%	7.0%	7.2%	7.2%	6.8%	6.5%	6.5%	0.0%	1.9%
UK Consumer Confidence		-34	-34	-30	-27	-25	-31	-33	-26	-28	-23	-16	-15	-9	6.0	25.0
London House Price Index		116.8	118.9	119.9	121.3	122.4	121.0	123.1	123.6	124.7	122.6	124.6	122.1	123.6	1.3%	5.9%

Strong growth in London's economy continues



London Purchasing Managers Index



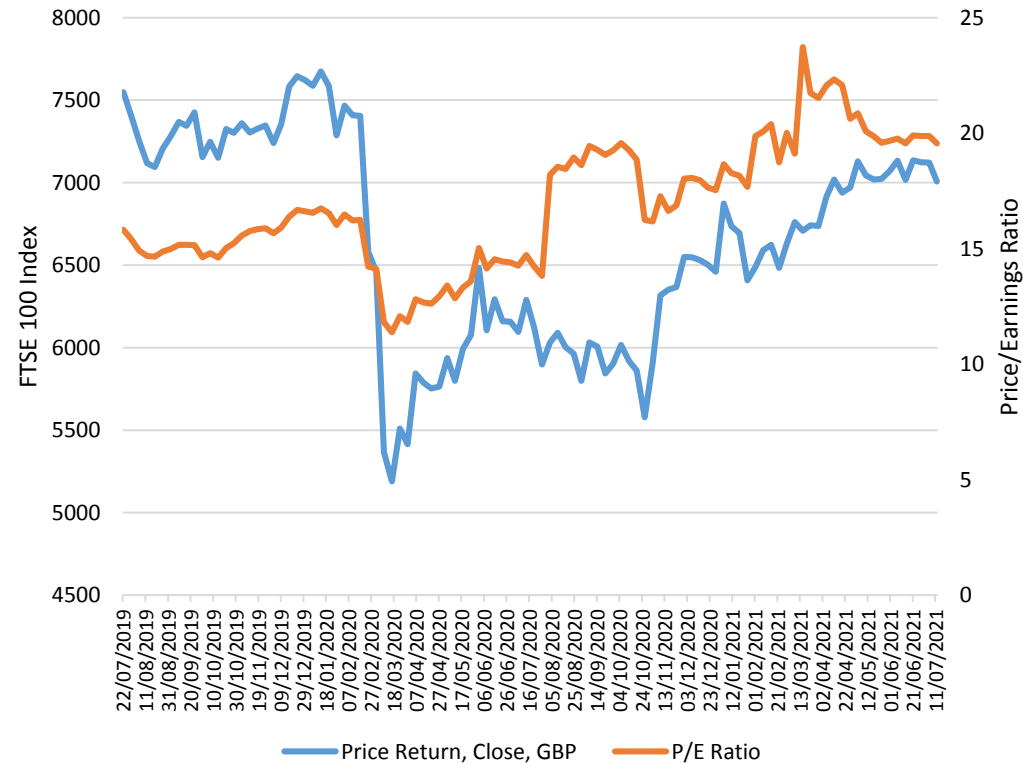
- Growth in London's economy eases slightly but remains at elevated levels.
- Cost pressures and staff shortages persist as main problems for Businesses in London.

Source: NatWest

FTSE has fallen slightly in recent weeks



FTSE 100 Index



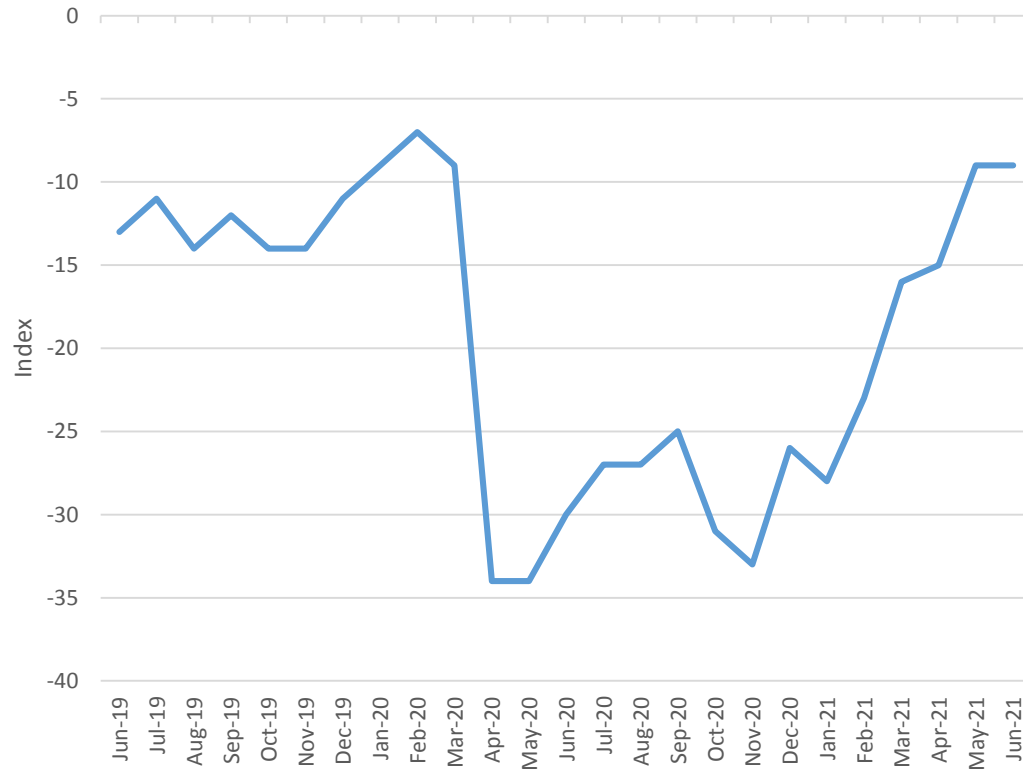
- In recent weeks the FTSE100 has fallen slightly due to concerns regarding the increase in Covid infections because of the Delta variant.
- Despite the recent weakness the stock market has risen considerably this year.
- The FTSE price earnings ratio (PE Ratio) suggests stocks are marginally more expensive than the long-run average although they are not as expensive as the peak in March 2021.
- Adjusting this measure for variations in the cycle and trends in inflation then the PE Ratio is close to its long-term average suggesting that stocks are fairly valued.

Source: Macrobond

Consumer confidence unchanged



GfK Consumer Confidence



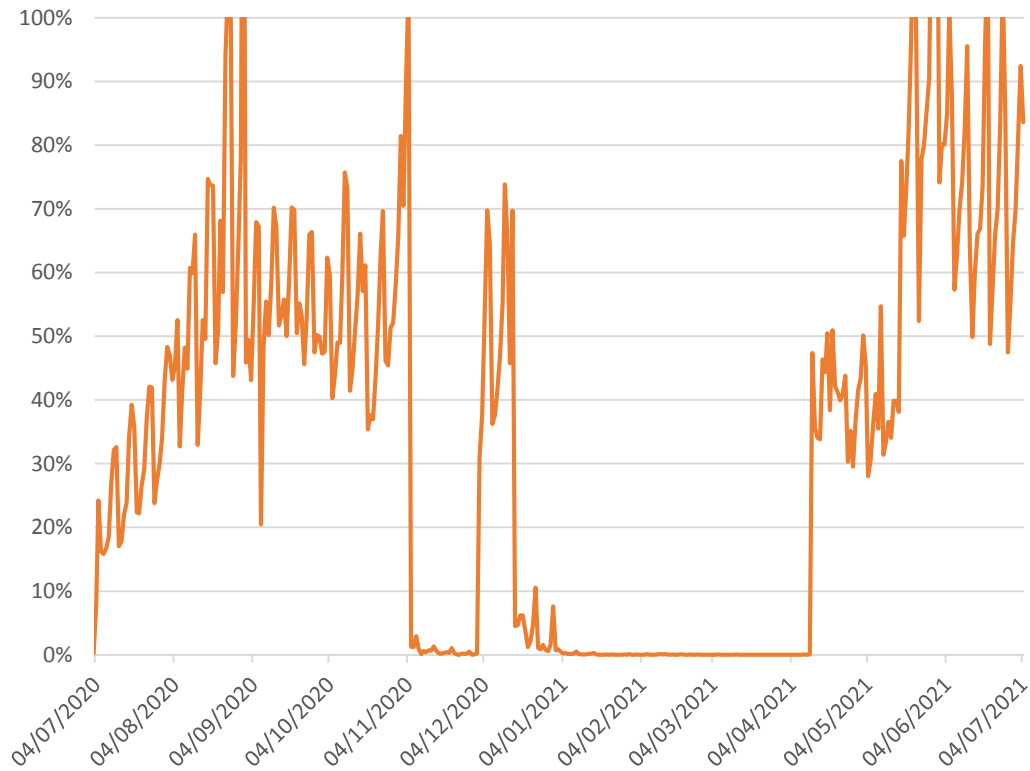
- UK Consumer confidence stabilised last month.
- Confidence still above pre-pandemic levels.

Source: GfK

Restaurant reservations slightly impacted by social distancing



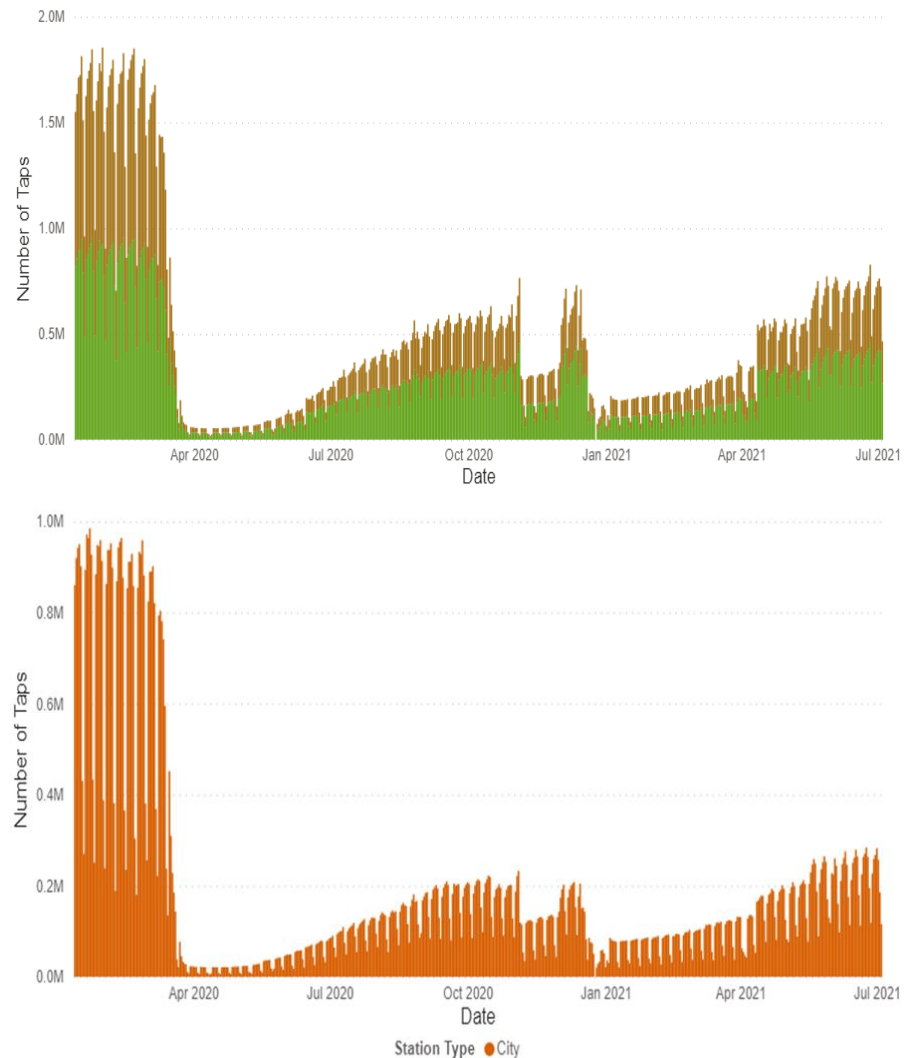
OpenTable Reservations Relative to 2019



Source: OpenTable

- OpenTable data shows that restaurant table bookings have returned to pre-pandemic levels.
- Despite a spike in reservations after lockdown lifting, the number of bookings has decreased slightly in July.
- Current social distancing measures restrict restaurants operating at full capacity.

Underground journeys to Central London below 2019 levels

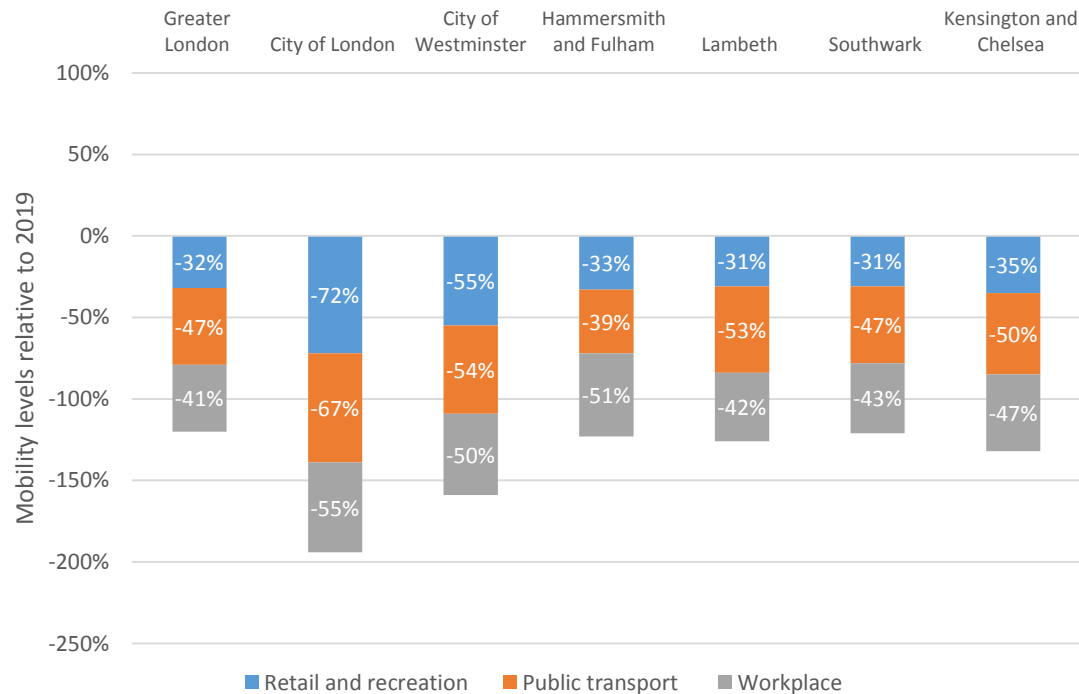


- Tube data shows tube journeys are significantly below pre-pandemic levels.
- The number of 'taps' at West End (top chart) stations is higher than the City (bottom chart) because of the increase in retail footfall.

Journeys to work remain low



Covid-19 Google Mobility Report



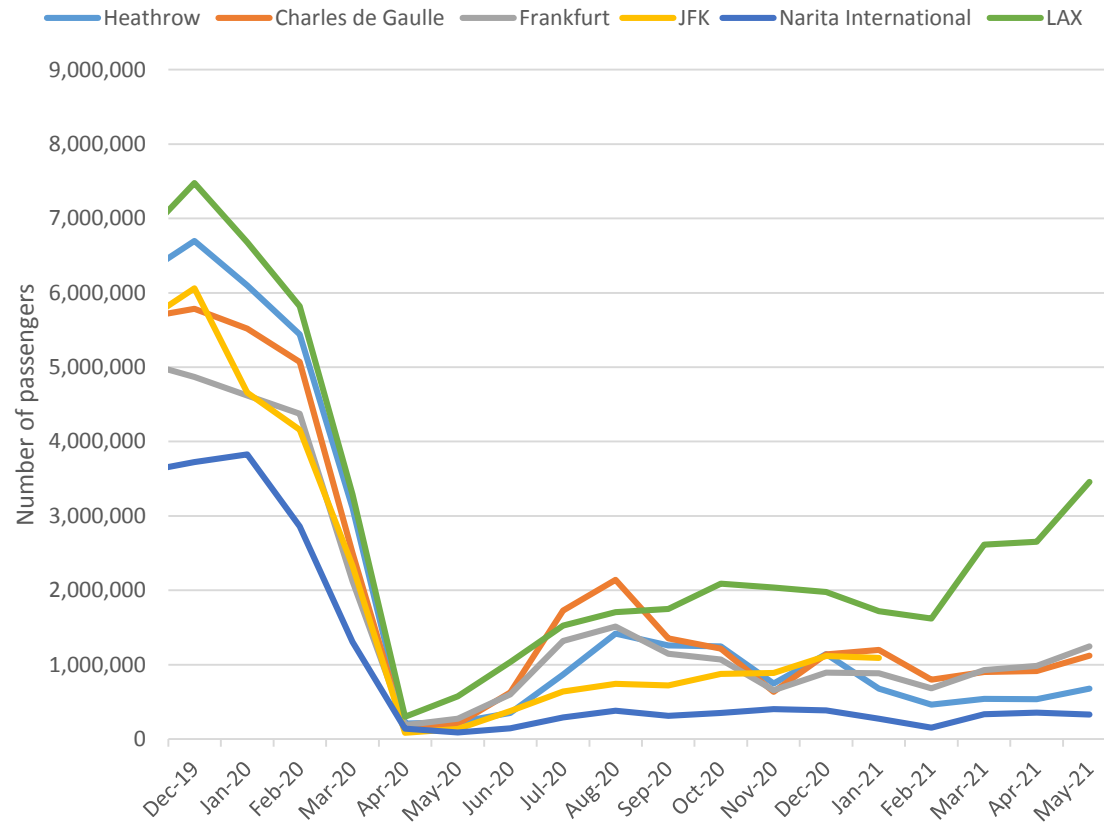
Source: Transport for London

- No. of journeys to the workplace in Greater London are c.41% lower than before the pandemic.
- A similar pattern has been observed since the beginning of the pandemic across all Central London boroughs.
- City of London and City of Westminster continue to have amongst the lowest mobility to the workplace of Central London boroughs.

International visits to London remain low



Airport Traffic Statistics



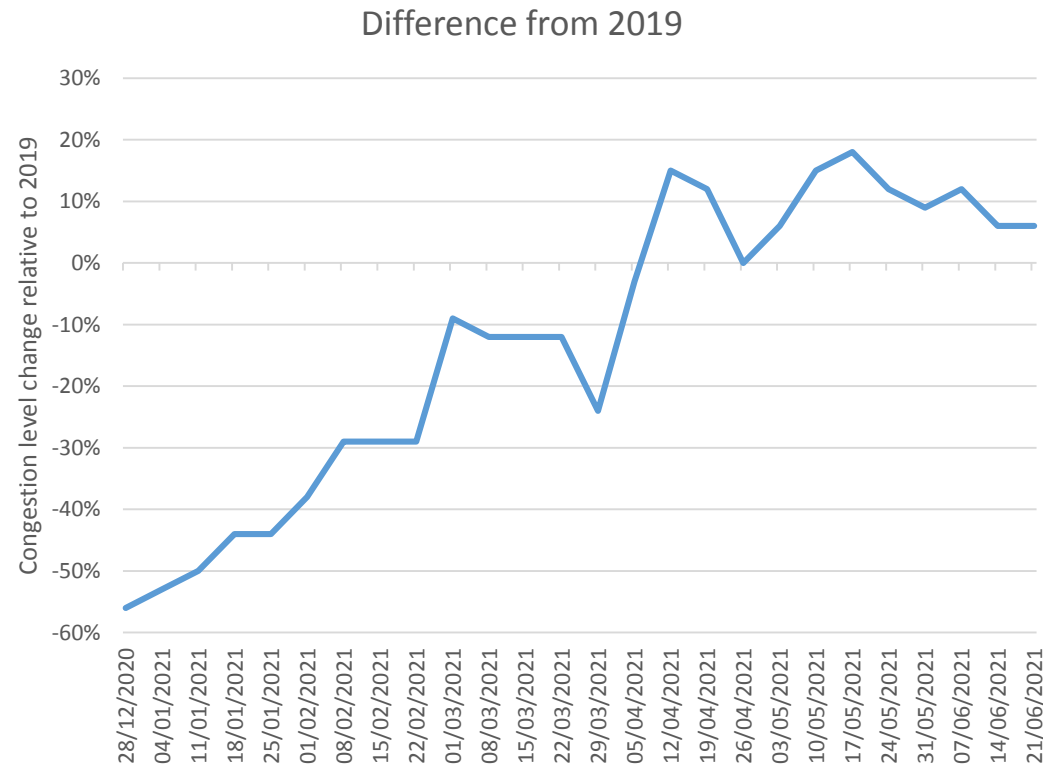
Sources: Heathrow Airport, JFK Airport, Charles de Gaulle Airport, Frankfurt Airport, Narita International Airport, Los Angeles International Airport

- Journeys to Heathrow remain at a low level due to strict border controls.
- Other global airports including New York (JFK), Paris (Charles de Gaulle) and Frankfurt airports have seen small increases in international visits.
- Los Angeles (LAX) has seen a strong rise in Airport traffic.

Road congestion above pre-pandemic levels



TomTom Congestion Levels



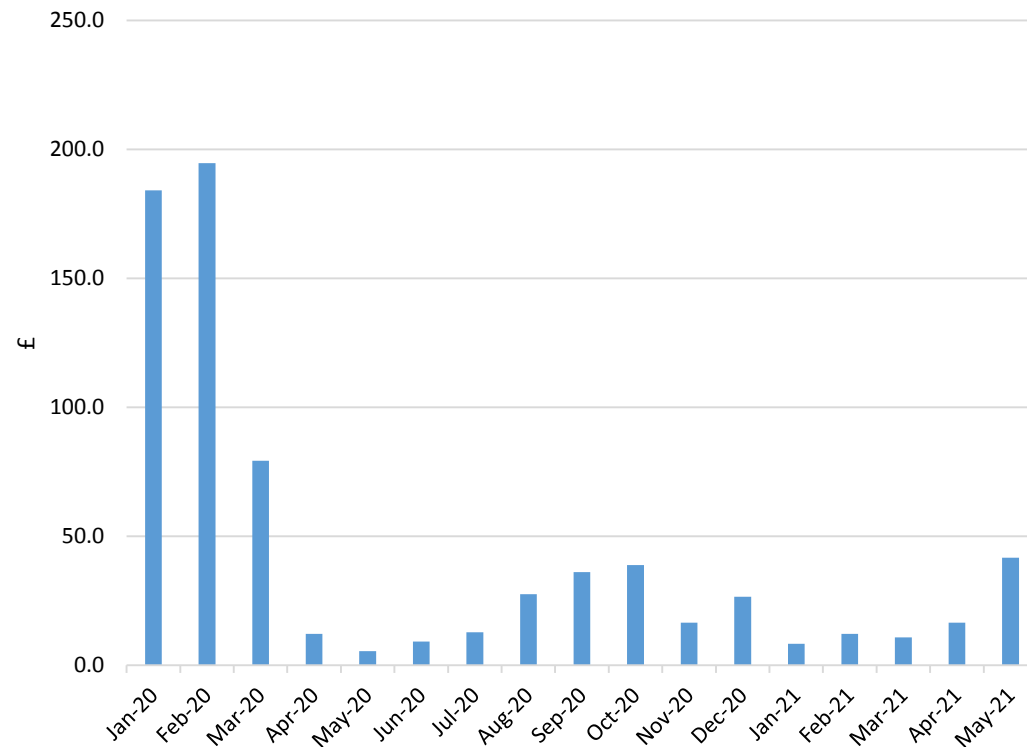
- Congestion has been gradually decreasing since May.
- But congestion levels across London are currently above 2019 pre-pandemic levels.

Source: TomTom

Hotel occupancy and room revenues remain low



London Hotels - Total Revenue per Available Room (TRevPar)



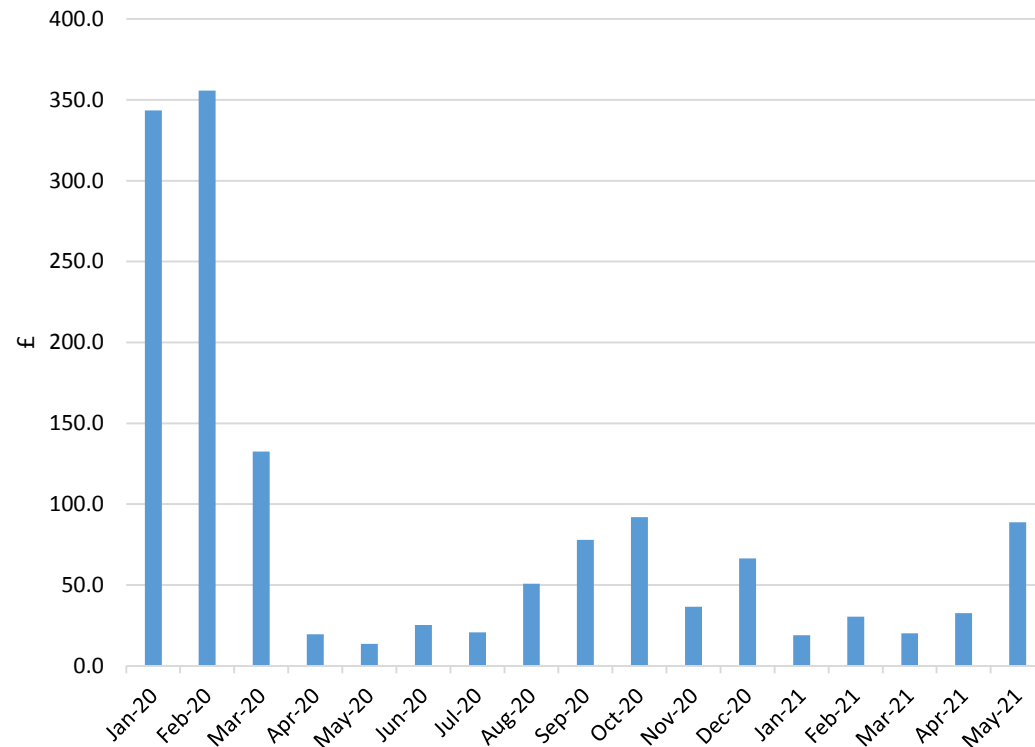
- Hotel occupancy slightly recovered in May but is still significantly below pre-pandemic levels.
- Total revenue per available room remains low - c. £50 but is at the highest level since March 2020.

Source: Knight Frank, HotStats

Luxury hotel occupancy and room revenues remain low



London Luxury Hotels - Total Revenue per Available Room (TRevPar)



- Luxury Hotels follow the same pattern of recovery.
- Total revenue per available room has been rising throughout 2021 and is currently £100 – the highest level since March 2020.

Source: Knight Frank, HotStats

We like questions

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