

# London *Activity Monitor*

June 2021

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# Summary



## London Activity Monitor June 2021

A review of high frequency data impacting the London economy.

- Strong economic rebound in London.
- FTSE continues to rise underlining strength in financial services and UK economy.
- Consumer confidence is improving but is still negative.
- Mobility on public transport and to the workplace remains below pre-pandemic levels.
- Low air-traffic journeys amid tight border control.
- Hotel occupancy is low ahead of non-essential retail re-opening in May.

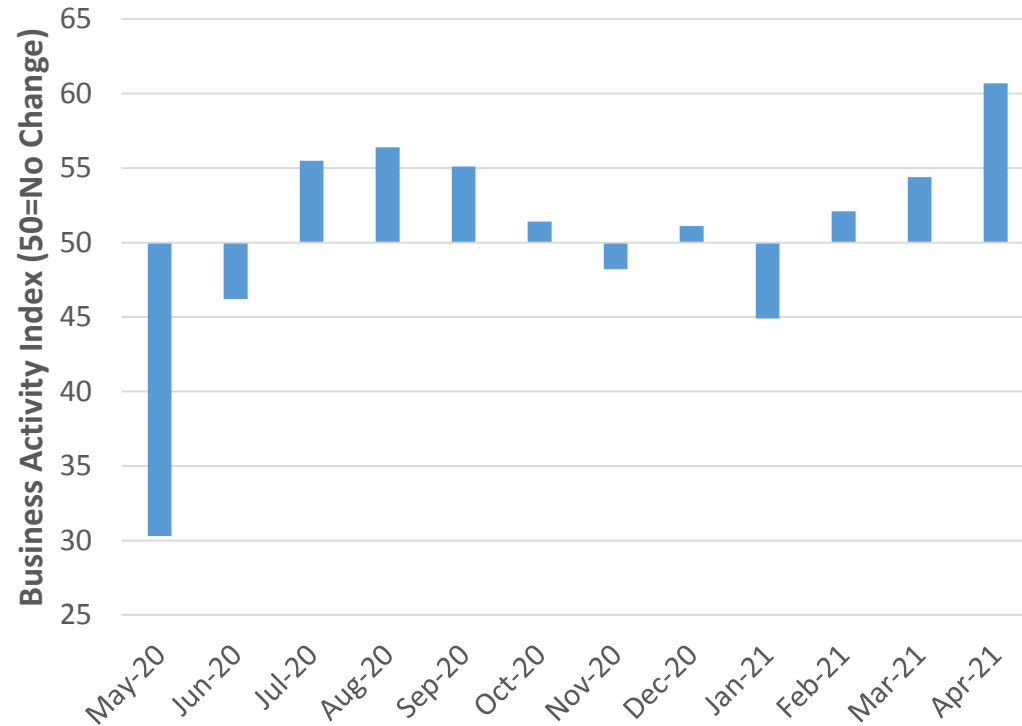
## Key London Indicators

	Recent Trend	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
London Business Activities Index (PMI: 50 = No Growth)		30.3	46.2	55.5	56.4	55.1	51.4	48.2	51.1	44.9	52.1	54.4	60.7
London Employment Rate (% of 16-64)		75.7%	76.5%	77.0%	76.1%	75.2%	75.2%	75.1%	74.7%	74.4%	74.5%	74.8%	
London Unemployment Rate (% of 16-64)		5.1%	4.6%	5.0%	5.3%	6.0%	6.3%	6.9%	7.0%	7.2%	7.2%	6.8%	
London House Price Index (£)		470,394	478,922	483,146	488,557	492,983	487,502	496,536	499,008	502,652	495,402	500,310	

# Strong rebound in London economy



## London Purchasing Managers Index



- Strongest growth in over six years.
- New business volumes, employment intentions and business confidence are rising.
- But cost pressures are increasing for businesses in London.

Source: NatWest

# Rising FTSE reinforces prospects for strong growth



FTSE 100 price Index



- Share prices continue to strengthen.
- Economically sensitive companies outperforming on expectations of strong economic recovery.
- Despite strong growth, index is still below pre-pandemic levels.

Source: Macrobond

# Consumers becoming less concerned



## GfK Consumer Confidence



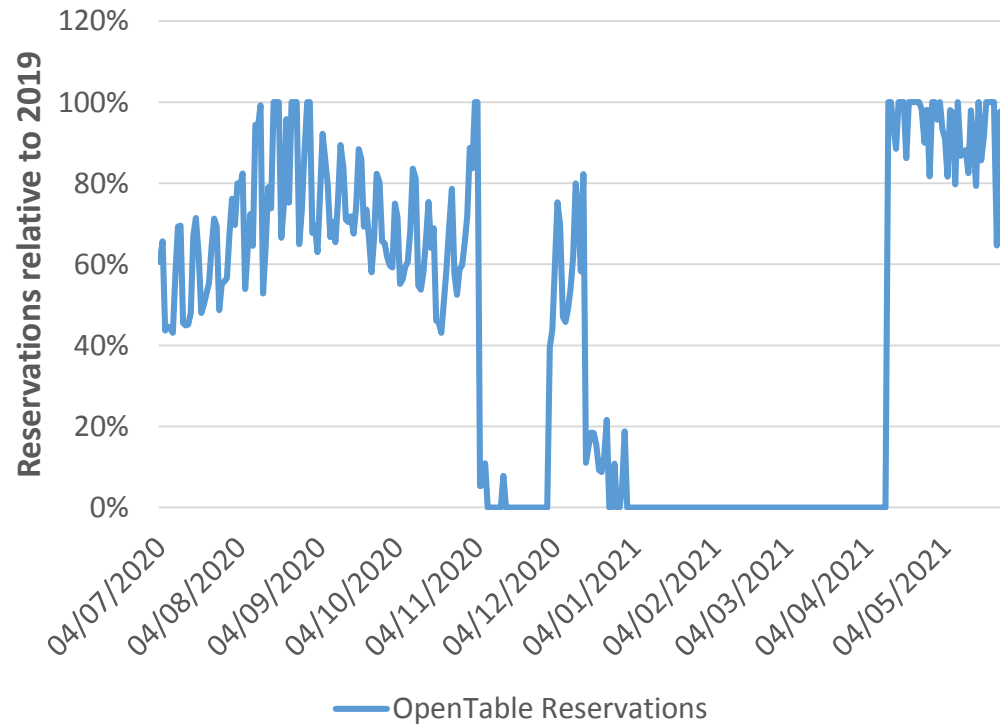
- Consumer confidence is improving but is still negative indicating receding concern regarding the outlook for personal finances and job security.
- The improvement mirrors the national trend and suggests consumers will be a significant factor driving the surge in economic growth.

Source: GfK

# Restaurant reservations close to 2019 levels



## OpenTable Reservations



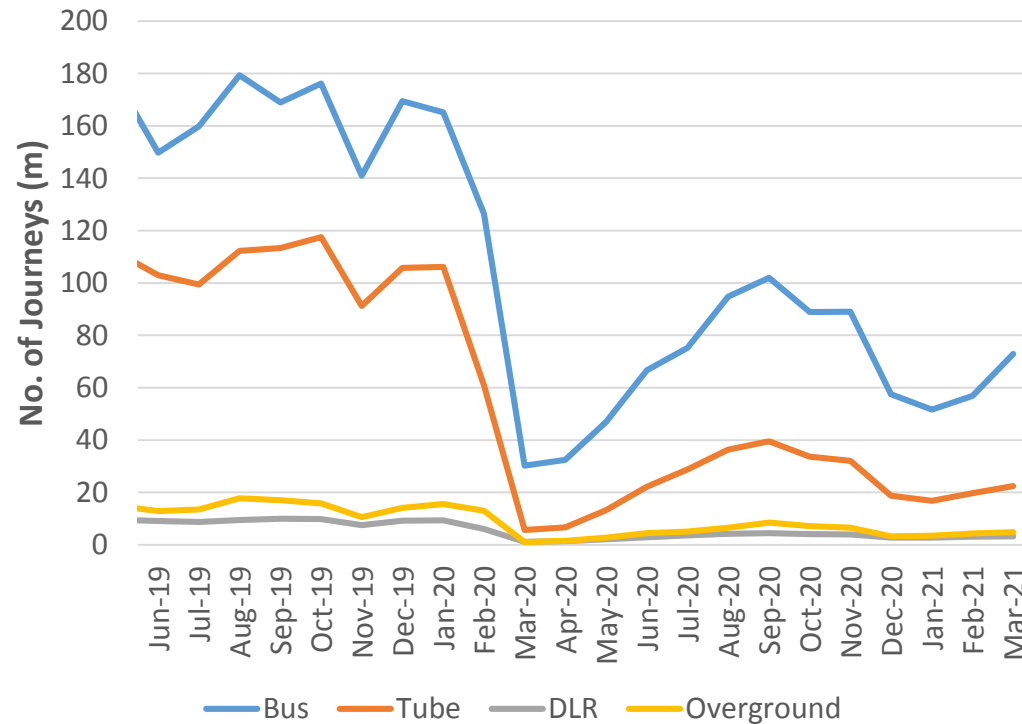
- Data from OpenTable shows that 80% of restaurants in London were taking reservations at the end of May.
- OpenTable data is quite erratic but the latest data indicates reservations are averaging close to 100% of 2019 levels.

Source: OpenTable

# Gradual improvement to transport mobility



TfL Travel Data for London



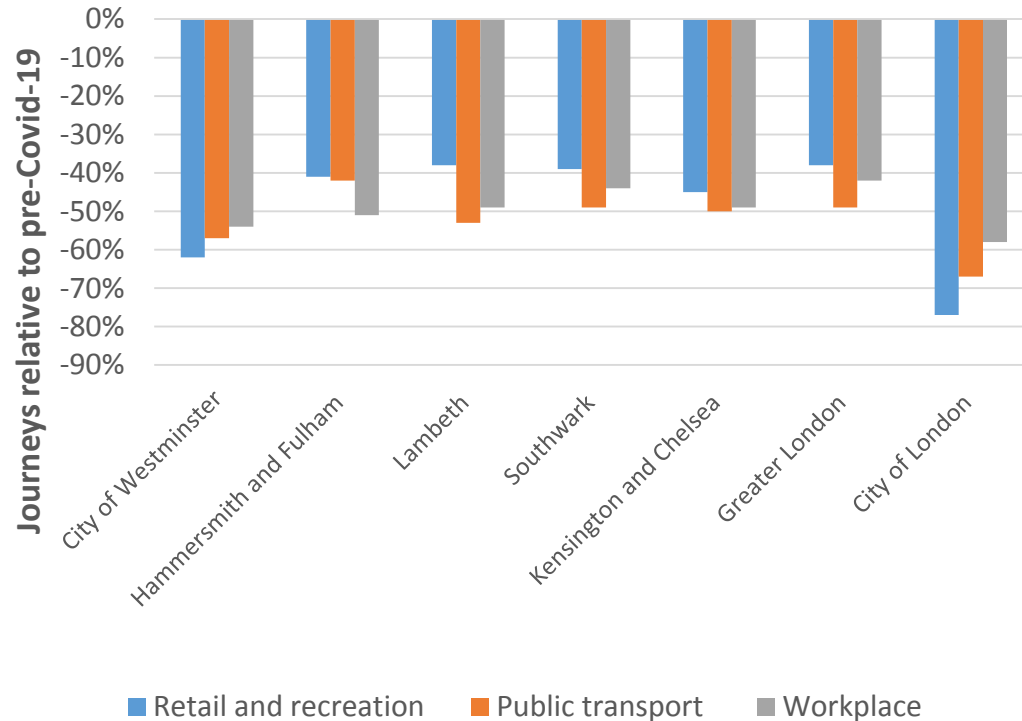
- Brighter prospects for the London economy have not yet led to widespread travel mobility.
- TfL data to the end of March shows only a gradual improvement to journeys on public transport.
- More recent data for Central London since the opening of non-essential retail shows journeys have significantly picked up in April and May.

Source: Transport for London

# Journeys to work remain low



## Covid-19 Google Mobility Report



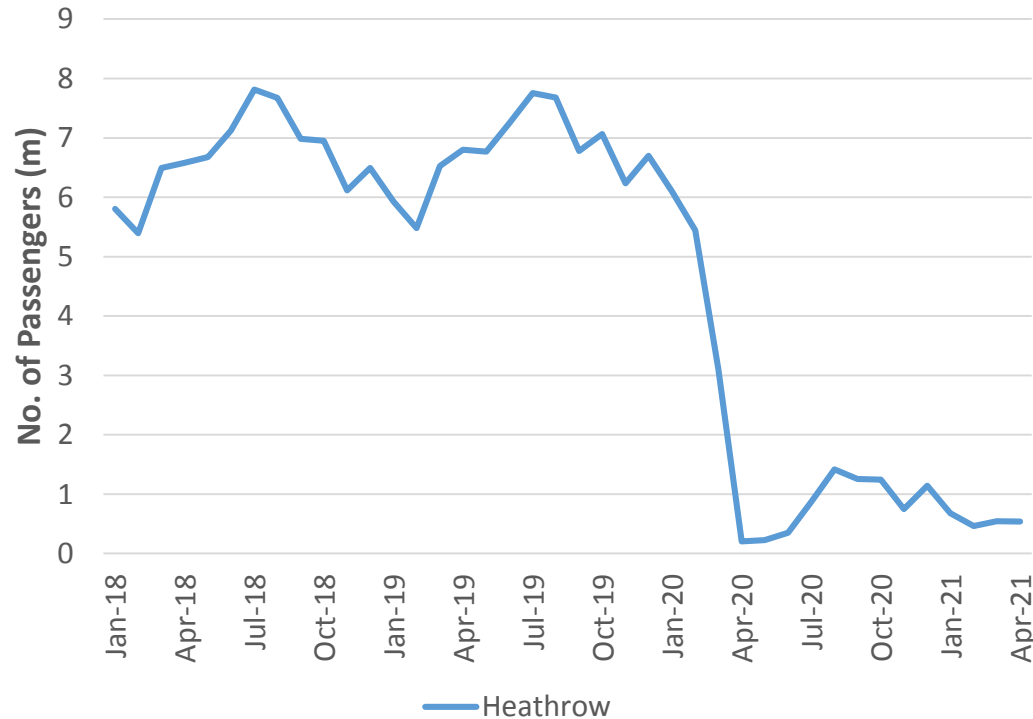
- No. of journeys to the workplace in Greater London are c.40% lower than before the pandemic.
- However, in Central London boroughs, journeys to the workplace are lower than the Greater London average.
- City of London and City of Westminster workplaces have the lowest mobility of Central London boroughs.

Source: Transport for London



# Air traffic journeys are very low

## Heathrow Traffic Statistics



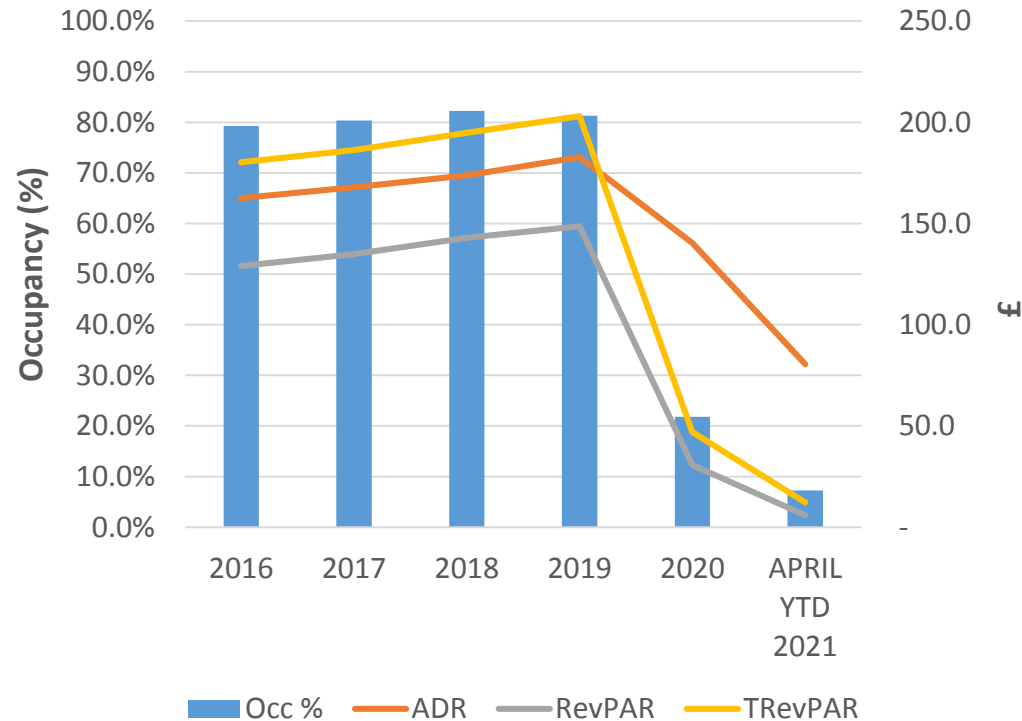
- Amid tight border restrictions the number of journeys at Heathrow airport are marginally above the level immediately following the introduction of the first lockdown.
- Border controls are likely to remain in place whilst variant risk is high and until a comprehensive system of permitting vaccinated people to travel.

Source: Heathrow

# Hotel occupancy remains low ahead of May re-opening



## London Hotels



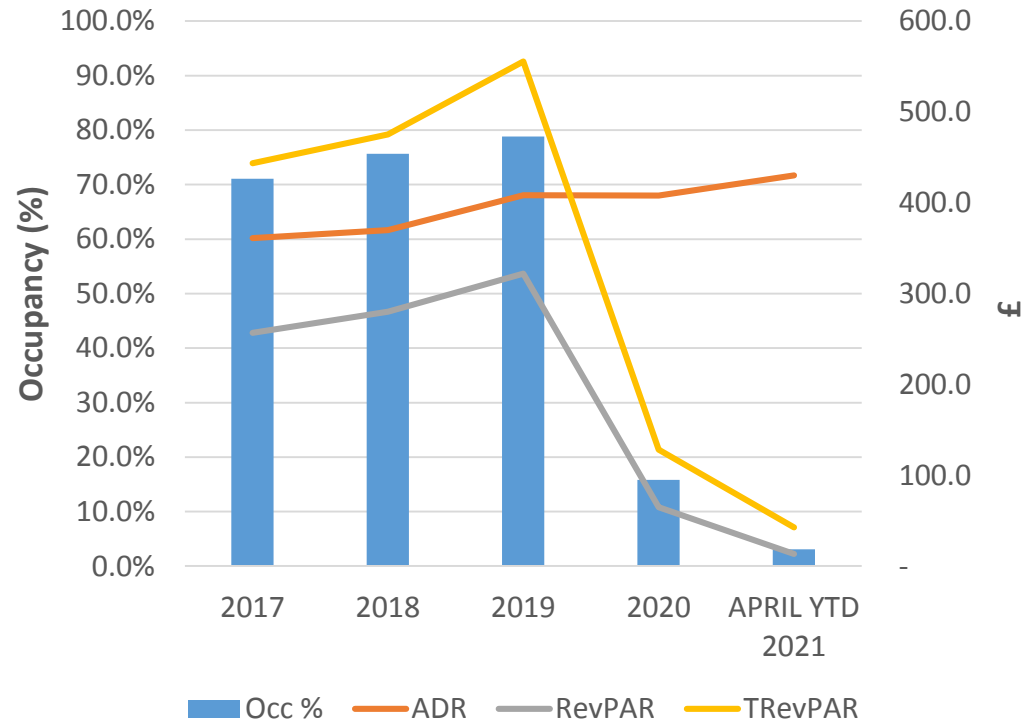
- London hotel occupancy at the end of April was below the level at the end of 2020 at 7.2%. This should rise as hotels re-open along with other non-essential retail sectors.
- The average daily rate (ADR) of a London hotel has continued to fall and is now £80.50.
- As many hotels have only been open to key workers and in exceptional circumstances, revenue per available (RevPAR) room and total revenue per available (TRevPAR) room have continued to fall.

Source: Knight Frank

# Luxury hotel occupancy remains low ahead of re-opening



## London Luxury Hotels



- Although the average daily rate (ADR) of luxury hotels has risen since the end of 2020 to £430 this is at a low occupancy level of 5%.
- Accordingly, revenue per available room (RevPAR) and total revenue per available room (TRevPAR) have continued to fall to £13.20 and £42.70 respectively.

Source: Knight Frank

# We like questions

## GET IN TOUCH

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## FURTHER READING



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