



The Crossrail Effect

How the Elizabeth line is transforming the capital.

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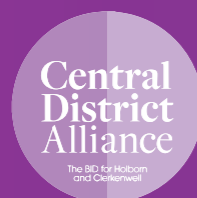
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Foreword

Foreword

There are many things London can be proud of on the delivery of the Elizabeth line. One, is most certainly the vastly improved connectivity the line has created, not just for London, but for towns and suburbs surrounding the capital.

For the first time, a passenger living in Shenfield, Essex, to the East of the line, can board a train that will take them all the way to Heathrow Airport in the West, passing through central London's major hubs and anchors of Liverpool Street, Farringdon, Tottenham Court Road, Bond Street and Paddington. In total, the Elizabeth line connects 41 stations. The second, is the improved access and inclusivity of the network; including step-free access from street to platform making journeys more accessible to all.

The line now attracts more than 600,000 journeys on most weekdays. Customer journeys from Tottenham Court Road and Bond Street have increased dramatically, whilst those using Farringdon have more than doubled with more than 100,000 additional journeys passing through each weekday. As well as helping people to reach their destinations easier and quicker, the additional footfall this generates not only has a significant impact on London's economy, but to the quality of lives of millions of people. The line is bringing more of us together to collaborate in our workplaces, to socialise in restaurants and bars, make new connections and to enjoy a show in the West End.

We are also incredibly proud that the Elizabeth line has attracted interest and admiration globally. Guests from North America, Asia and throughout Europe have visited London to see the Elizabeth line in action and to understand how it was achieved. As somebody who has worked in transport for many decades, this is something that I last witnessed after the London Olympic Games in 2012; visitors from all over the world coming to see something truly world class.

As remarkable an achievement as the Elizabeth line is, we need to remind ourselves that in purely transport terms, we have built something akin to the Paris RER or Germany's S-Bahns. In that sense, have been investing to catch up, although the quality of the Elizabeth line takes things to a new level.

Transport is a catalyst for growth, it can facilitate the transition to net zero and be a social enabler. But, as with the Elizabeth line, to do that London needs to continue to invest. To make these vital improvements, we need the Government to join us. Critical projects can include replacing near 50-year-old Piccadilly line trains, and we have the potential to do so much more, as with Overground – really open up south London. I would like to see plans taken forward for the extension of the Bakerloo line and – obviously – 'Crossrail 2'. The best, most efficient and effective way to build on investment and the success of London's transport infrastructure is to continue a steady production line – learn and continue.

Let's keep London competitive and attractive by continuing to invest in our city.



Howard Smith
Director
Elizabeth line

Introduction

Introduction

When the Elizabeth line opened in May 2022, London was still emerging from the depths of the Covid-19 pandemic. Its timely opening was a cause for celebration. Not least the marking of over 10 years' engineering and construction work to make the Elizabeth line a reality.

The journey has been long and winding, with the need for the line first identified nearly half a century ago. When it was first proposed to Parliament in 1991 MPs rejected it. It is a reminder how infrastructure projects, which are complex, expensive and take many years of planning and construction, can be so easily shelved, despite their significance to national and regional economies and the daily lives of millions of people.

Since the opening of the Elizabeth line its usage has exceeded expectations. TfL passenger figures reported in December 2022, showed how the Elizabeth line had become the busiest train line in the country, carrying over 44 million passengers within just over six months of its opening.

Our latest report, **The Crossrail effect: The impact of the Elizabeth line**, is a necessary reminder of its far-reaching benefits. The analysis, conducted by Knight Frank, looks in detail at how it has shaped the built environment and commercial property market within a ten-minute walk of Elizabeth line stations between Paddington and Whitechapel. The report includes an analysis of exclusive data, nine case studies of schemes delivered and underway, and a comprehensive review of new leisure and cultural amenities.

Combined, the report shows how its success has rippled through London's economy – driving its recovery post-Covid by creating exciting new business hubs, delivering resilience in the West End and revitalising London's public realm.

To make the Elizabeth line a reality, nearly 70% of the Elizabeth line was funded by Londoners via the Mayoral CIL, council tax, fares and 30% by London's businesses – an example of how imaginative funding models can unlock vast infrastructure improvements and economic growth. It also took considerable leadership, vision and private and public sector collaboration to ensure its success.

If London is to remain a globally competitive city, it will need sustained levels of investment in its transport system in the long-term and bold projects like the Elizabeth line.



Charles Begley
Chief Executive
London Property Alliance

*Evening Standard, December 2022: Busy Lizzie! Elizabeth line becomes best used railway in UK only months after opening | Evening Standard

Executive summary

Executive summary

In this report, Knight Frank has undertaken a review of the performance of central London office markets which have been affected by the opening of the Elizabeth line in 2022, along with a review and analysis of the key developments and new public realm that has been created as a result.

During the last 10 years, the opening of the Elizabeth line has spurred considerable development of pioneering office-led mixed-use development near new stations. This has resulted in rising occupier demand in new and emerging submarkets, such as Farringdon, Paddington and West End Central, which is served by the new Elizabeth line station at Tottenham Court Road. Furthermore, it has strengthened the appeal of the existing core submarkets in the City and West End, through the opening of new stations at Liverpool Street and Bond Street.

Our report comprises the following sections:

Stimulating growth in the office economy

The impact on the office economy since the opening of the Elizabeth line.

On the right track

An assessment of leasing performance of the office markets within 10 minutes walking time of a new Elizabeth line station.

Attracting large occupiers

Landmark leasing transactions involving large global occupiers.

Creating thriving and vibrant business districts

Exploring the mixed-use nature of development around Elizabeth line stations.

Leading the way with modern office design

Showcasing best-in-class real estate developments that exemplify placemaking and sustainability credentials.

Key findings

- ▶ The Elizabeth line has had a tangibly positive impact across central London's office market.
- ▶ Although many areas around new stations have seen positive benefits, these are particularly demonstrable in the West End.
- ▶ Overall, the Elizabeth line has created a virtuous circle of positive improvement:

A marked uptick in development activity.

Creation of carefully-curated space with exemplary BREEAM credentials.

Renewed occupier demand, particularly from large multi-national operators.

Increased rental levels.

- ▶ The benefits are both holistic and sustainable.

The report makes the following key points:

Occupational markets

Uplift to mobility and occupancy: Since May 2022, average five-day occupancy of buildings within 10 minutes' walking time to an Elizabeth line station has risen from 33% to 44%.

Jobs growth in Elizabeth line locations: Almost 200,000 new office jobs have been created in submarkets served by an Elizabeth line station.

Strong and resilient leasing markets: A decade ago, annual office take-up in Elizabeth line locations represented 43% of all lettings in London. In 2023 Q1, that share rose to 51%. Moreover, current levels of take-up in these locations are at 6.3m sq ft - above the 10-year annual trend of 5.6m sq ft.

Office take-up in non-Elizabeth line business districts is currently 11% below trend, whilst in Elizabeth line locations, it is 12% above trend, as fresh occupier demand has been driven to Paddington, Bond Street and Farringdon.

With the exception of the public sector, all major occupier groups have increased their exposure to offices near Elizabeth line stations, with a number of new entrants to the London market.

Availability of the best quality office space is tight: Low levels of available prime office space are a key feature in many Elizabeth line submarkets. This is particularly true in the West End, where availability rates are as low as 1% around Tottenham Court Road and 2% in offices near Bond Street.

Future supply is modest: The limited under-construction development pipeline in Elizabeth line submarkets is expected to compound the existing shortage of prime space. By 2026, a further 6.4m sq ft of office space will be completed, of which 40% has already been pre-let. This is 10ppt above the average across London.

Just over 3.8m sq ft is being built speculatively over the next four years. In comparison to average levels of take-up of new and refurbished space in Elizabeth line submarkets, this suggests a shortfall of 6.5m sq ft.



Hanover Square, GPE



The JJ Mack Building, Farringdon

Outperformance of rental growth: Over the last 10 years submarkets in the City (Liverpool Street and Farringdon) experienced stronger rental growth in the years prior to the Brexit Referendum of 2016 and COVID-19 pandemic. In contrast, West End submarkets (Tottenham Court Road, Bond Street and Paddington) have seen stronger rental growth in the most recent five years. The positive impact of the Elizabeth line has been more pronounced in the West End than in the City.

In Farringdon, where the improvement to transport infrastructure includes the Thameslink Programme, prime rents have grown by 46.4% in nominal terms over the last 10 years. Of the submarkets, the lowest rental growth has been experienced in the Marylebone office district near Bond Street station, where prime rents have grown by just 14%. The core business districts around Bond Street and Liverpool Street have both seen prime rents grow by approximately 37%. In real terms, this represents growth of 6%.

The lack of existing prime availability is compounded by the relatively low development pipeline. This suggests rental tension will remain a feature in Elizabeth line submarkets especially as occupier

demand is driven to better quality sustainable buildings.

Placemaking and sustainability

There have been a number of industry-leading developments that embody the hallmarks of excellent placemaking curated within 10 minutes' walking time of Elizabeth line stations. These are vibrant, mixed-use and walkable business districts which employ innovative and contemporary methods to reduce carbon emissions.

Public realm improvements: Significant uplift to the public realm, which include:

- ▶ The pedestrianised zones connecting station entrances to new offices in Paddington.
- ▶ The creation of public spaces with other real estate uses, such as Medici Courtyard at Hanover Square.
- ▶ London's first new-build theatre in London's West End for 50 years (pre-let to Nimax Theatres) at Soho Place.

High environmental ratings: Since 2020, 63% of all BREEAM-rated office completions in London have been built in locations served by the Elizabeth line.

70% of all BREEAM-rated 'Outstanding' office developments completed in London have been built in locations served by the Elizabeth line.

100% of all BREEAM rated 'Very Good' office completions have been built in locations served by the Elizabeth line.

Vibrant business districts: Elizabeth line related development in central London has enhanced the quality and mix of real estate uses. In Covent Garden, the increase in visitor journeys to Tottenham Court Road has provided a boost to footfall. Whilst in Paddington Square, the retail offer has been designed to provide a deferential experience amid longer-term challenges for the sector.

Attracting large occupiers

Occupiers are increasingly driven towards amenity-rich, sustainable office space, recognising that

the workplace environment plays a crucial role in fostering productivity, employee satisfaction and overall contributes to better business outcomes.

Liverpool Street: The recent strength in lettings by legal firms has been underpinned by a number of landmark transactions ahead of schemes being completed. These include Allen & Overy at 1-2 Broadgate (c.267,000 sq ft), Clifford Chance LLP at 2 Aldermanbury Square (321,000 sq ft) and Addleshaw Goodard LLP at 8 Bishopsgate (59,000 sq ft.), and Dentons pre-leasing of just over 67,000 sq ft at One Liverpool Street.

Farringdon: Important transactions for two of the world's leading technology companies have cemented the submarket as home to one of Europe's largest collection of technology and media companies. TikTok has signed two pre-leasing agreements at the Kaleidoscope and Verdant office developments, while Snapchat has pre-leased 113,634 sq ft at the Bloom development. These lettings raised the rental level for prime buildings in the area to over £80 per sq ft.

Tottenham Court Road: GlaxoSmithKline (GSK) will be re-locating its global headquarters to the 144,000 sq ft Earnshaw building from their current office in Brentford. The relocation provides more efficient access to the company's artificial intelligence hub at King's Cross and its global research and development facility. It also allows greater connectivity to world-leading education establishments, King's College and the Francis Crick Institute.

Bond Street: Major lettings to financial firms include Blackstone committing to pre-leasing c.232,000 sq ft of the office development at Lansdowne House (Berkeley Square) and PIMCO Europe's pre-letting at 25 Baker Street.

Paddington: Lettings to new financial services occupiers Payment Sense (c.75,000 sq ft) and Capital International (c.221,000 sq ft) have resulted in the Paddington Square development being fully let ahead of completion.



The Earnshaw, Royal London Asset Management



01. Stimulating economic growth

Stimulating economic growth

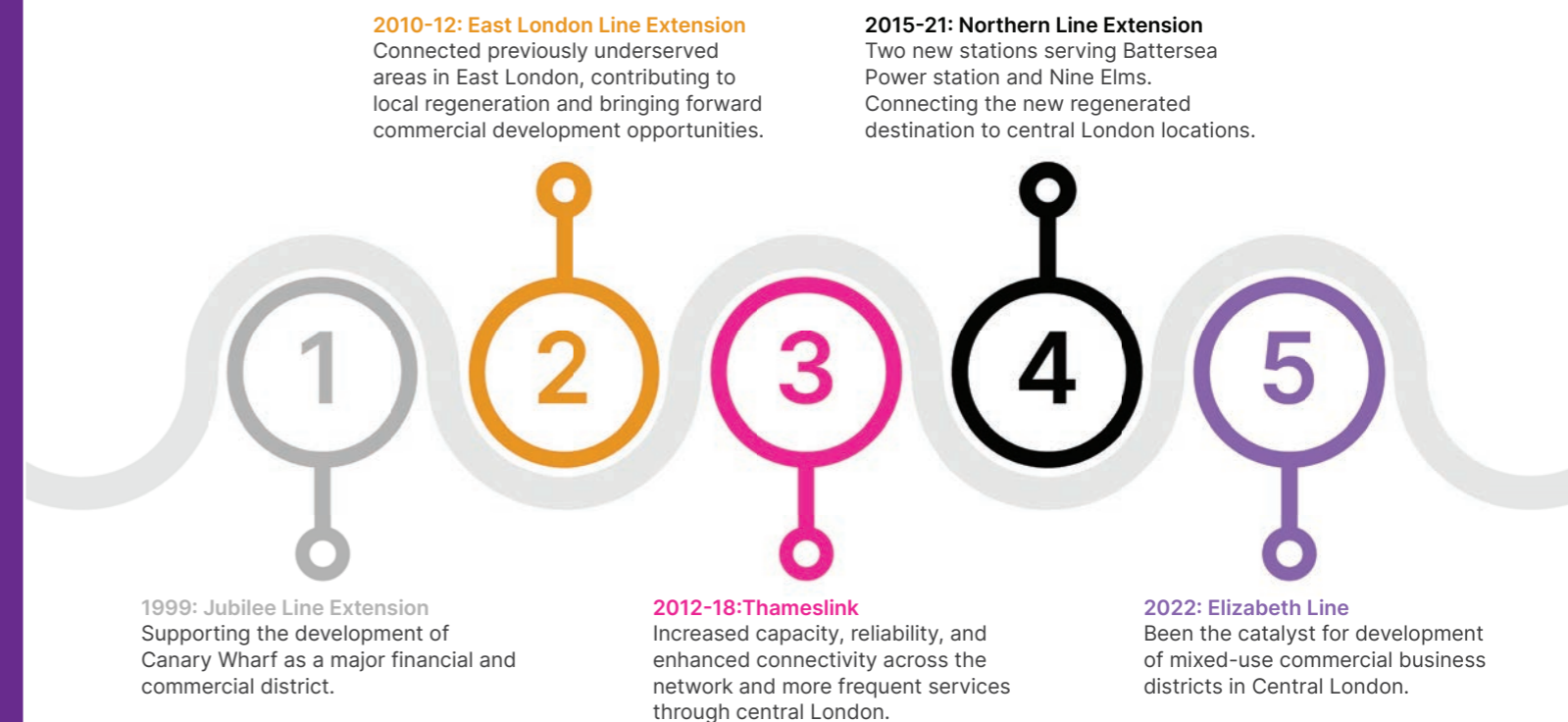
Since its opening just over 12 months ago, the Elizabeth line has become the most popular railway line in the country with an average 3.5 million journeys each week. Its transformational impact has improved accessibility to central London and connectivity between business districts. Furthermore, the uplift to mobility has resulted in greater levels of occupier interest and higher occupancy rates in offices within 10 minutes' walking time to an Elizabeth line station.

Raising mobility and office occupancy

Over the last 30 years, London has seen several significant railway projects that have uplifted its transport infrastructure spurring regeneration in previously underused locations. The opening of the

Elizabeth line raises central London's rail capacity by 10% whilst seven of the ten new Elizabeth line stations are in central London office submarkets.

Figure 1: Timeline of significant railway projects in London



Source: Knight Frank Research

The Elizabeth line has played an important role in increasing mobility across London since the end of the pandemic. Data from Transport for London (TfL) shows that the Elizabeth line is attracting more than 600,000 journeys each weekday across the capital. The impact on locations such as Tottenham Court Road and Farringdon has been a doubling of customer journeys with more than 100,000 additional journeys passing through those stations each weekday. Furthermore, occupancy data from a selection of buildings managed by Knight Frank in the City of London shows occupancy rising from a five-day average of 33% to 44% since the opening of the Elizabeth line. Our viewings data shows occupiers showing greater interest in buildings within 10 minutes walking time of an Elizabeth line station.

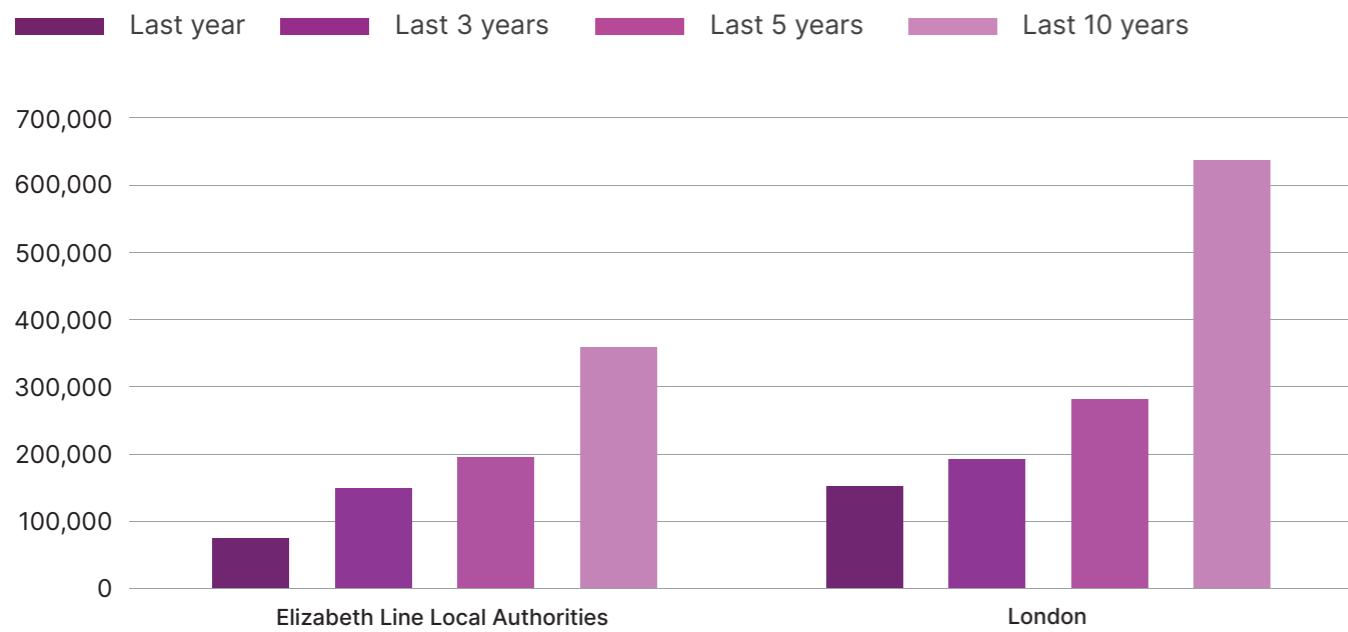
Jobs growth in Elizabeth line locations

TfL has reported 55,000 jobs have been created across the UK as a result of the Elizabeth line construction. Analysis of employment data from Oxford Economics shows almost 200,000 new office jobs have been added in the local authorities that are served by Elizabeth line stations in central London during the last five years. This represents just over 70% of the change in office employment across London. It should be noted not all of the employment change can be attributed solely to the opening of the new line but the relative difference in jobs growth with non-Elizabeth line locations suggests the improvement to transport infrastructure has made a positive contribution.

CHART 1:
New jobs created in Elizabeth line locations

Elizabeth Line Local Authorities - Office Employment

Change in numbers employed



Source: Knight Frank Research, Oxford Economics



02. On the right track

On the right track

The leasing markets served by the Elizabeth line have exhibited robust performance, with strong demand from a diverse range of occupiers. Despite the challenges posed by the pandemic, leasing activity was more resilient in Elizabeth line locations. Rental out performance has been evident in these submarkets due in large part to low availability of best-in-class buildings.

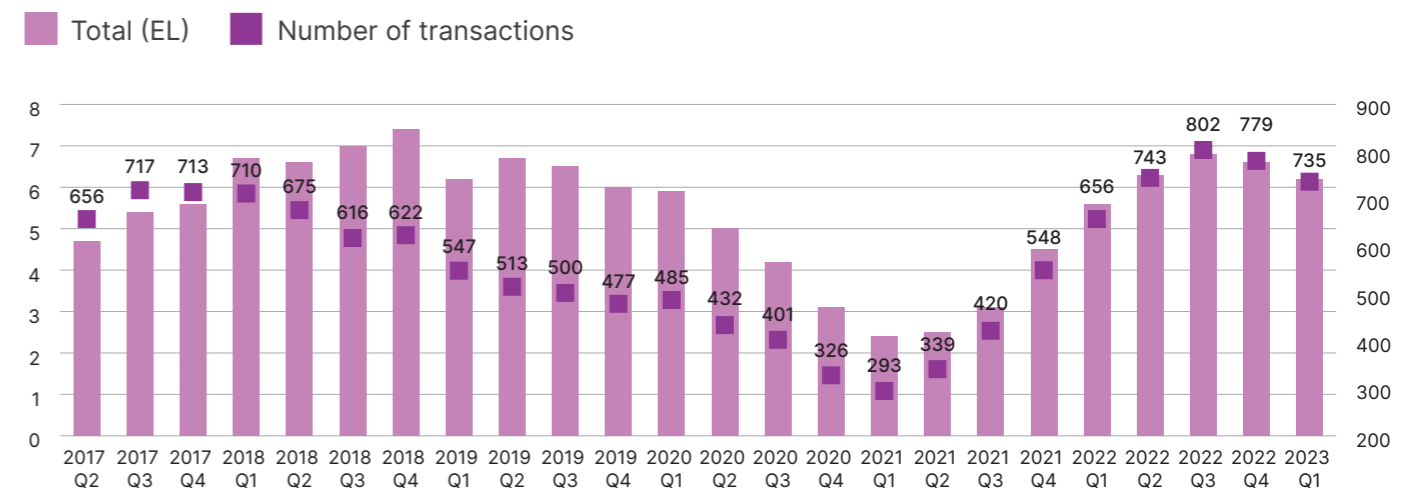
Stronger levels of demand

During the last 10 years (average length of a property cycle), office lettings within 10 minutes' walking time of an Elizabeth line station have seen a significant rise and are currently above pre-pandemic levels. A decade ago, 43% of annual take-up in London was in Elizabeth line locations. In 2023 Q1, this share rose to 51%. The strength of demand in these locations is underscored by current levels of annual take-up (6.3m sq ft) exceeding the long-term trend by 13%.

CHART 1:
Rising take-up within 10 minutes walking of an Elizabeth Line Station

Elizabeth Line Stations - Take-up Within 10 Minutes Walking Time

4 Qtr take-up m sq ft (LHS), Number of transactions (RHS)



Source: Knight Frank Research

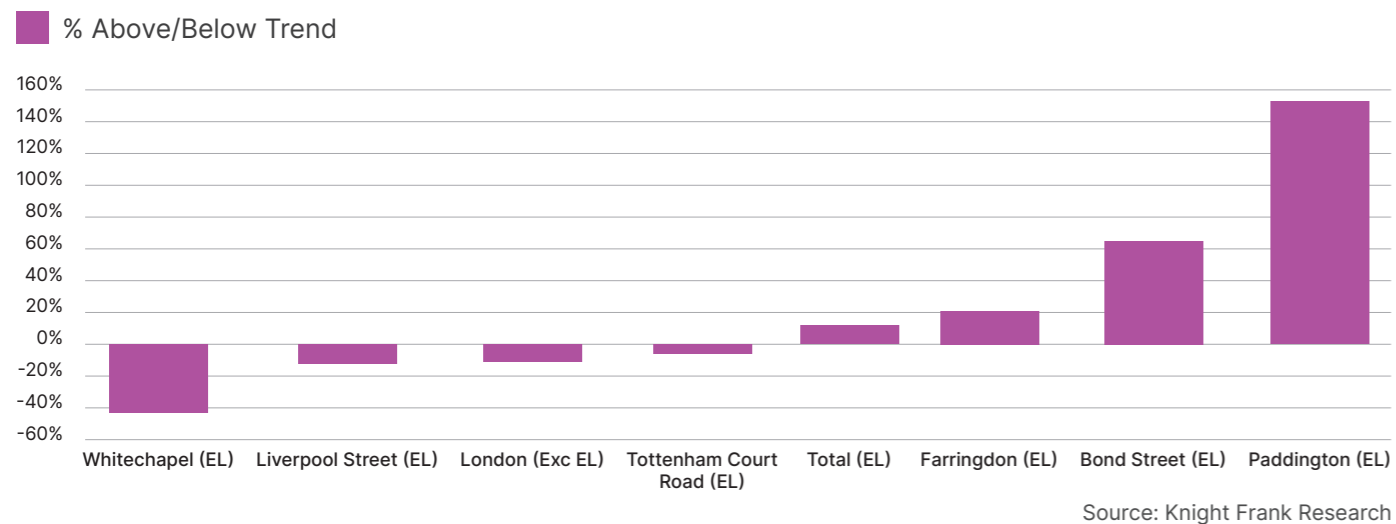
Contrasting performance

The slow recovery in the London office market since the pandemic masks the considerable lettings outperformance in the business districts served by the Elizabeth line. Annual take-up in Elizabeth line locations is currently 12% above the long-term trend in contrast to areas without new stations where lettings transactions are below trend. Paddington (EL), Bond Street (EL) and Farringdon (EL) are amongst the strongest growing office submarkets in London.

CHART 2: **Outperformance of EL station offices**

Elizabeth Line Stations - Take-up Within 10 Minutes Walking Time

4 Qtr take-up % 10 year annual trend



Major occupier groups increasing exposure

During the last 10 years the capital has seen the emergence of a number of new business districts such as the Knowledge Quarter in King's Cross and the Innovation District in White City. Along the Elizabeth line, new business districts have emerged in Farringdon and Paddington whilst enhancing the attraction to occupiers of existing office markets in the City (Liverpool Street) and the West End (Tottenham Court Road and Bond Street).

For example, high profile lettings deals by TikTok, LinkedIn and Snapchat have cemented the Farringdon submarket as a technology and media hub. In the West End, demand from niche financials has spread beyond the supply constrained Mayfair/St James' to more central locations close

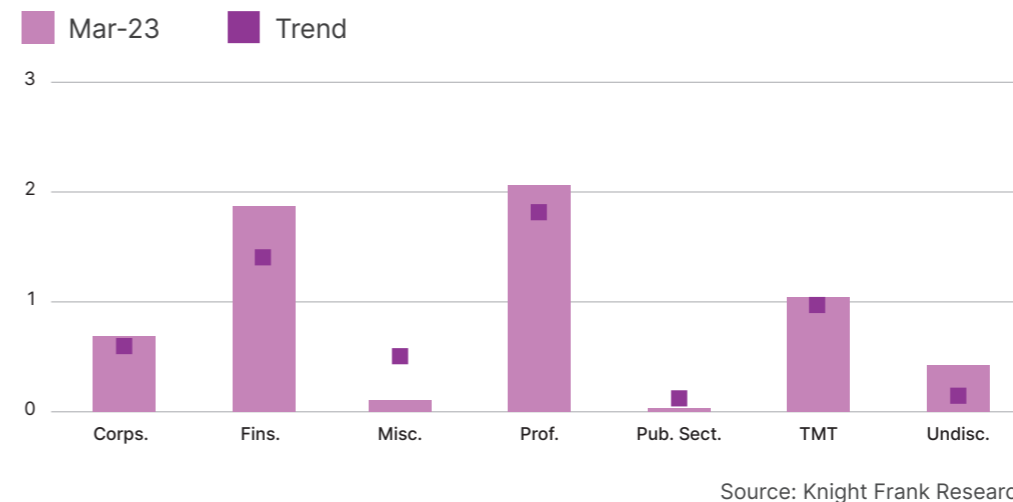
to Tottenham Court Road and further west to Paddington.

The outlying under-performance of Whitechapel (EL) reflects to some extent the very early development of an office district in the vicinity of the station. Whilst future plans to transform this part of East London into an innovation district anchored by the fast-growing life sciences sector will be significantly aided by the opening of the new station.

CHART 3: **Occupiers increasing exposure near EL stations**

Elizabeth Line Stations - Sector Take-up Within 10 Minutes Walking Time

4 Qtr take-up m sq ft, 10 year annual trend



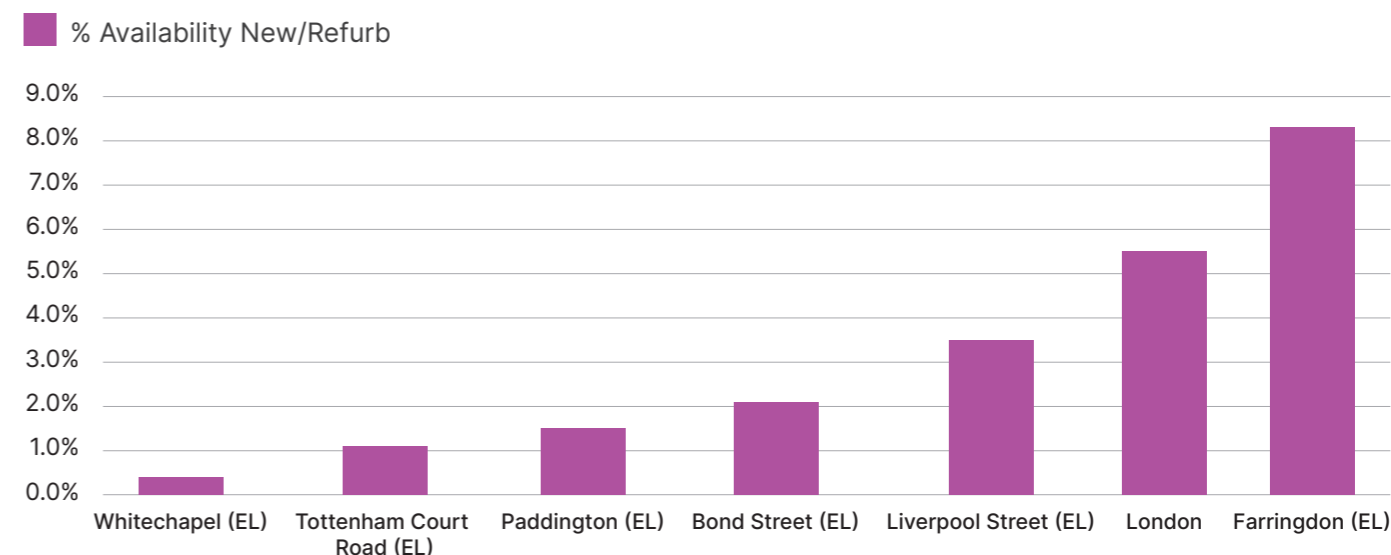
Availability of the best quality office space is tight

Low levels of available prime space are a key feature in many Elizabeth line locations, particularly in the West End where availability rates are as low as 1% around Tottenham Court Road and 2% in Bond Street. Only Farringdon has an availability rate of new and refurbished space which is above the average for London. The majority of available prime space is contained in smaller sized buildings whilst occupier demand is driven to buildings with larger and flexible floorplates.

CHART 4: **Availability of prime buildings is low**

Elizabeth Line Stations - Prime Availability Within 10 Minutes Walking Time

% of stock



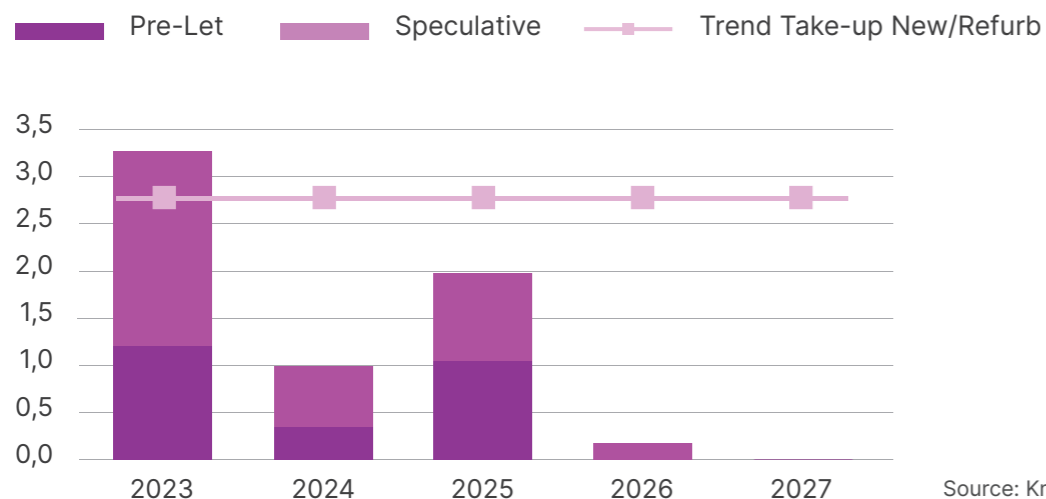
Future supply is modest

The limited under-construction development pipeline in Elizabeth line submarkets is expected to compound the existing shortage of prime space. By 2026, a further 6.4m sq ft of office space will be completed of which 40% has already been pre-let. This is 10 percentage points above the London average.

Just over 3.8m sq ft is being built speculatively during the next four years. In comparison to average levels of take-up of new and refurbished space in Elizabeth line submarkets, this suggests a shortfall of 6.5m sq ft.

CHART 5:
New supply does not meet demand for prime space

Elizabeth Line - Under-Construction Development Pipeline m sq ft



Source: Knight Frank Research

Modest rental performance

Rental growth during the last 10 years shows the submarkets in the City experienced stronger nominal rental growth in the years before the Brexit Referendum and pandemic. In contrast, West End submarkets have seen rents grow in the most recent five years as sectors such as technology, media and telecoms and specialist financials accelerated their want to occupy sustainable offices with employee wellbeing a priority requirement.

In Farringdon, the improvement to transport infrastructure began with the Thameslink programme, prime rents in nominal terms have

grown by 46.4% during the last 10 years. The lowest rental growth has been experienced in the Marylebone office district where prime rents have grown by 14%. The core business districts around Bond Street and Liverpool Street have seen rents grow by approximately 37%. In real terms this is growth of 6%.

Rental growth is likely to remain a feature in Elizabeth line submarkets as occupier demand remains focussed on better quality sustainable offices and existing and future supply are constrained.

New institutional investment markets

London ranks as one of the largest and most liquid commercial real estate markets in the world and increasing the available prime office stock is essential to maintaining the capital's ability to attract global capital.

In the six years before the pandemic, investment transactions in London rose by £4bn of which 43% was in business districts served by the Elizabeth line. The strongest rise has been in Farringdon where the transactions market grew by 122%.

Investment by institutional investors like pension, insurance and sovereign wealth funds is typically driven to the more established lettings market in Liverpool Street and Bond Street but in recent years there have been landmark investments from these investors in group in locations such as Paddington, highlighting the long-term investment potential in these locations.



03. Attracting large occupiers

Attracting large occupiers

Large office occupiers are increasingly driven towards amenity rich sustainable office space recognising that the workspace environment plays a crucial role in fostering productivity, employee satisfaction, and overall better business outcomes.

Best-in-class offices provide numerous benefits, including access to state-of-the-art facilities, advanced technology infrastructure, ergonomic design, and energy-efficient systems. Moreover, they offer flexible and collaborative spaces that promote innovation, creativity, and teamwork. Recognising the impact of a well-designed workplace on employee well-being, large office occupiers prioritise amenities such as ample natural light, green spaces, comfortable breakout areas, and wellness facilities. By selecting the best quality offices, these occupiers aim to attract and retain top talent, enhance their corporate image, and create a conducive environment that fosters growth, collaboration, and long-term success. Below we highlight key leasing deals in Elizabeth line submarkets.

Legal firms moving to Liverpool Street

The law firm, Allen & Overy, has committed to pre-leasing 267,422 sq ft at 1-2 Broadgate and will relocate there in early 2027. They followed the property services firm JLL who took 132,228 sq ft at the start of 2021. Although, downsizing from their previous premises, the legal firm was attracted to

this building because it would be adaptable to future workforce changes.

Allen & Overy's decision to relocate was motivated by Broadgate's sustainability features underscored by targeting an 'Outstanding' accreditation from BREEAM, because of their commitment to reduce carbon emissions by 50% before 2030. Several factors influenced their decision, including the building's high connectivity from its proximity to Liverpool Street station and the new introduction of the Elizabeth line. In addition, Broadgate boasts a wide variety of amenity in a campus style environment. This letting is one of the largest in Liverpool Street over the past five years.

New occupiers in Farringdon

Two of the most significant new occupiers in Farringdon are amongst the largest technology, media and telecoms companies and have pre-leased office space in the East and West of Farringdon. These landmark transactions have cemented the submarket as home to one of Europe's largest collection of technology and media companies.

In the East of Farringdon, TikTok have signed two pre-leasing agreements at the Kaleidoscope and Verdant office developments. Whilst in the West of Farringdon, Snapchat has pre-leased 113,634 sq ft at the Bloom development. These lettings achieved raised the rental tone for prime buildings to over £80 per sq ft.

The attraction of Paddington to niche financials

The Paddington Square development was fully let ahead of completion with financial occupiers acquiring the majority of the space. Payment Sense pre-let 75,454 sq ft and Capital International taking 221,746 sq ft.

These were two of the largest deals of the last five years in Paddington and demonstrate the attraction of offices to niche financial services occupiers outside of the West End Central and Bond Street submarkets.

A short walk away is Fifty Paddington, Eastbourne Terrace where St James's Wealth Management took one of the upper floors in the newly completed building. The deal involved a market beating rent.

Lettings by St James's Wealth Management and also Virgin Media highlight an emerging trend of outer London occupiers establishing a presence in Central London with Paddington serving as an entry point to the capital. Virgin Media are primarily headquartered in Reading while St James's management has offices in Cardiff, Bristol and Cirencester. These deals are a reflection of the changing face of Paddington as an office submarket, the uplift from the wider regeneration, and increased transport connectivity have raised its attraction to new occupiers.

Tottenham Court Road – The arts and culture office district

The pharmaceutical giant, GlaxoSmithKline (GSK) will be re-locating its global headquarters to the 144,000 sq ft Earnshaw building from their current office in Brentford. The relocation provides more efficient access to the company's artificial intelligence hub at King's Cross and its global research and development facility. It also allows greater connectivity to world leading education establishments, King's College and the Francis Crick Institute.

Bond Street district solidifies its status as a hub to specialist financial services

In 2022, Blackstone, the world's largest asset manager, chose to pre-lease the 226,000 sq ft redevelopment of Lansdowne House at Berkeley Square. The exclusive West End address is to become their long-term European headquarters and was a mark of confidence in London maintaining its attractiveness to global occupiers.

North of Bond Street Station, the investment management company PIMCO, recently pre-leased 106,000 sq ft at Derwent London's mixed-use development of 25 Baker Street. The sustainability and wellbeing credentials of the new build development was an essential to securing the PIMCO letting two years ahead of the building completing.



Soho Place, Derwent London

04. Creating thriving and vibrant business districts

Creating thriving and vibrant business districts

The creation of new and redevelopment of existing Elizabeth line stations has provided an opportunity to create high quality, vibrant public realm. The principles of placemaking and sustainable urban planning have been at the core of new mixed-use development around Crossrail locations.

Striking the right balance

Mixed-use schemes create communities where people can live, work, and socialise in walkable

neighbourhoods. This reduces the need for long commutes and enhances accessibility to various amenities, services, and employment opportunities. Elizabeth line related development in central London has led to the creation of many new mixed-use schemes close to stations with offices at their heart and sparked wider investment.

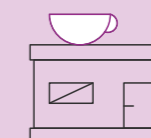
For example, the transformation of business districts in Paddington and North of Oxford Street has contributed to an increase in the development of other real estate uses that complement the office culture.

Since 2012 there have been:



171

hotel openings within a mile of central London Elizabeth line stations.



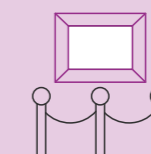
197

coffee shops have opened within a mile of central London Elizabeth line stations.



312

pubs & bars have either been opened as new or opened post renovation works within a mile of the new Elizabeth line stations.



12

new museums and art galleries have opened within a mile of these locations.



2,157

restaurants have had openings over within one mile of these locations.

Source: Local Data Company

Improving the provision of office amenities

Bond Street – Hanover Square

The redevelopment of Hanover Square has provided new contemporary retail floor space to premium branded retailers within London's most exclusive shopping destination at New Bond Street. In recent years retailers such as Canali and Pronovias have opened flagship stores in GPE's Hanover development. Other notable brands which have leased space in close proximity to the Hanover Square station entrance include:

- ▶ JCA | London Fashion Academy – a campus and maker space from Jimmy Choo.
- ▶ Moyses Stevens are at 1 Tenterden Street and are the only florist to hold a royal warrant.
- ▶ Canadian Restaurateur Joey Ghazal will open "Maine" – a New England inspired affair aiming to be a destination restaurant for Mayfair and the West End.
- ▶ The Mandarin Oriental Mayfair Hotel will be opening autumn of 2023 and will offer contemporary dining.

Liverpool Street - Boxhall City

Boxhall City, due to open Summer 2024, will be located within the historic Metropolitan Arcade building and will be an all-day social dining experience and major new food hall including, drinks and events. The new site includes 16 kitchen units, and two internal bars, subject to planning permission. The 17,000 sq. ft building has a ground floor and a small pre-existing mezzanine with 266 internal seating covers. The uber well connected site hopes to see the success of its sister sites across London.

One Bishopsgate Plaza

A prominent mixed-use development located in the heart of the City of London's financial business district. Designed to be an iconic landmark, the project combines residential, hotel, and retail

components in a single complex. The development features luxury apartments, a five-star hotel, high-end retail outlets, and exclusive amenities. One Bishopsgate Plaza has received nominations and awards for its pioneering approach to creating a contemporary mixed-use development with a tall tower element.

New London Museum

The relocation of the Museum of London will add to the arts and culture vibrancy of Farringdon, cementing the district as a cultural hub within the city.

The new site for the Museum of London is at Smithfield Market, a historic and culturally rich area known for its market and heritage buildings. The move to this iconic location not only allows for a much larger and modern facility to be constructed but also aligns with the museum's mission to showcase London's history and cultural diversity. The relocation will offer visitors a more immersive and engaging experience, with improved exhibition spaces, interactive displays, and cutting-edge technology to bring London's history to life.

The new museum's strategic position in Smithfield will enhance accessibility for both locals and tourists, attracting a broader audience and contributing to the cultural vibrancy of the area. The museum's new home is due to open in 2025/2026.



Proposed new London Museum campus. Credit: Secchi Smith

Paddington

Wilde London

This aparthotel was inspired by Oscar Wilde in its design, with bespoke artwork and Irish crafts amongst the premium finishes and furnishings. It has all the requisite modern features of an upscale short stay – online check-in, bar, gym, and 24-hour reception.

Premier Inn

The largest Premier Inn in central London at 393 bedrooms; this is the first of three in this area, with a further two at Marylebone and wider Paddington totalling 1000 new rooms upon completion.

Building mixed-use is much more than simply meeting demand. It is vital to create a modern city fit for post-pandemic life. As well as making better use of limited land availability

Tottenham Court Road

Outernet London

At the heart of the regeneration of Tottenham Court Road is the Now Building created by the media and entertainment company Outernet. This four-storey complex provides events and exhibition space, a boutique hotel and a significantly upgraded hospitality offer. Adding to its appeal, the complex

has a public atrium with a vast set of screens which wraparound the structure for digital exhibitions and has open space to host live events.

The Association of Leading Visitor Attractions (ALVA) recently reported an average of 85,000 weekly visitors at the Now Building only a few months after its opening. Continued visits at this level would mean Outernet London becoming one of the UK's top five visitor attractions.

Bringing shoppers to London

Transportation is an important component influencing the success of a retail destination especially in Central London where tourism plays a key role. Accessibility and connectivity to public transportation greatly affect visitor numbers, consumer behaviour and the type of retailers that will locate in a shopping district. The opening of the new Tottenham Court Road Station, serving as a major interchange for the Elizabeth line, has significantly accelerated the recovery in the retail economy particularly in areas like Covent Garden, Oxford Street and important in the design of the new retail offer at Paddington Square. Furthermore, the rise in visitor journeys has been a significant factor in raising footfall by 5-10% in Covent Garden.

The Elizabeth line's enhanced connectivity to other parts of London and beyond have expanded the catchment area, drawing in more potential customers. The increased footfall has resulted in higher customer traffic for its boutique shops, street performers, theatres, and other cultural attractions. Moreover, the convenience of the new station has raised dwell times, allowing visitors to spend more time exploring Covent Garden and its diverse range of occupiers.

Greater levels of people traffic have enticed a varied mix of global retail brands to open vibrant flagship stores that provide an immersive shopper experience:

Peleton

The sports retailers first store outside of New York is a 30,000sq ft studio-gym at 12 Floral Street in Covent Garden.

Uniqlo

The Japanese retailer has opened a new 15,600 sq ft outlet in a former Victorian carriage hall at Long Acre and is also opening a new 22,200 sq ft store at store at One Oxford Street (Soho Place).

Vuori

The sportswear brand opened its first store outside of the US at 25 Long Acre.

Paddington Square retail

Paddington Square has been dubbed the West End's newest working, shopping and dining quarter. It is intended to act as a new gateway to the capital, with 70% of arrivals emanating from outside Greater London. A predominantly office-led development, Paddington Square will house a significant proportion of retail and leisure floorspace, spanning four levels alongside a rooftop restaurant. Due to complete later in 2023.

Branded as a destination for 'everyone', Paddington Square will attract a broad audience of office

workers, commuters, tourists and local residents. The scheme will serve a large proportion of workers housed in the 14 floors / 350,000 sq ft of workspace above. Commuters will also be key, with over 100 million passengers flowing through Paddington station each year as a result of the opening of the Elizabeth line. Local residents complete its target audience with approximately 100,000 residents live within 1 km of Paddington.

Paddington Square offers a mix of convenience and comparison goods that will benefit not just travellers but the local community and complement existing neighbourhood provisions at Paddington Basin and Praed Street.



Proposed vast new public realm at the London Museum. Credit: Secchi Smith

05. Leading the way with modern office design

Leading the way with modern office design

As London embraces the arrival of the Elizabeth line, industry-leading pioneering developments are redefining what it means to provide exceptional office environments, catering to the evolving needs and expectations of occupiers adapting to new ways of working. This section explores the driving factors behind their success and why they are seen as providing occupiers with a workplace experience.

Defining 'best-in-class' offices

Best-in-class office buildings embody a combination of features and amenities that elevate them to the forefront of the industry. These buildings are characterised by state-of-the-art technology infrastructure, providing digital connectivity and high-speed internet access. They will have flexible and adaptive floorplates, allowing for efficient space utilisation and easy customisation to accommodate different working styles. Sustainability and

energy efficiency are integral aspects, with green building certifications, superior energy and waste management systems, and reduced embodied carbon emissions with alternative approaches to construction.

Furthermore, best-in-class office buildings prioritise employee well-being by incorporating ample natural light, ergonomic designs, comfortable and collaborative spaces, and amenities like gyms, communal areas, and other wellness facilities. They often feature advanced security systems and smart building technologies to ensure the safety and comfort of occupiers. In essence, best-in-class office buildings are designed to foster productivity, collaboration, and employee satisfaction, while also embracing sustainability and technological advancements to create a deferential workplace experience.

The prominence of high-quality sustainable offices is demonstrated with data from the environmental accreditation body BRE.

Since 2012:

63%

of all BREEAM rated office completions have been built in locations served by the Elizabeth line.

70%

of all BREEAM rated 'Outstanding' office developments completed in London have been built in locations served by the Elizabeth line.

100%

of all BREEAM rated 'Very Good' office completions have been built in locations served by the Elizabeth line.

Showcasing best-in-class developments

In the remainder of this section, we review nine of the leading developments which embody the hallmarks of excellent placemaking - creating vibrant, mixed-use and walkable business districts while employing innovative and contemporary methods to reduce carbon emissions.

10 minute walk

40 and 50
Eastbourne
Terrace

Hanover
Square

Soho Place,
One Oxford
Street

Johnson
Gardens

The JJ Mack
Building

100
Liverpool
Street

8 Bleeding
Heart Yard

55 Old
Broad
Street

The
Earnshaw

Farringdon

Liverpool
Street

Paddington

Bond Street

Tottenham
Court Road

Farringdon

40 and 50 Eastbourne Terrace

Yardnine and Invesco



ARCHITECT	COMPLETION DATE	MIXED USE	HOTEL	RESIDENTIAL	ELIZABETH LINE STATION
Sheppard Robson	2021 & 2024	Office – 75,000 sq ft Retail – 10,000 sq ft	366 rooms	7 houses	Paddington

Key Development Stats	Environmental	EPC	WiredScore	Wellbeing
50 Eastbourne Terrace	BREEAM Excellent	A	WiredScore Platinum	WELL enabled Gold

Source: Knight Frank Research

Contributing to Paddington's regeneration

The site originally consisted of two separate buildings with central plant which required to be separated before the first phase of the development (50 Eastbourne Terrace) could commence. The existing 1960's buildings were not satisfying the demand profile from modern occupiers, and the wider Eastbourne Terrace area was in need of modernisation to align with the ongoing regeneration of Paddington.

YardNine and Invesco purchased the sites in July 2018 with a vision to redevelop 50 Eastbourne Terrace into an office space with a smaller residential and retail component. They also aimed to secure vacant possession and secure a change of use planning consent from office to hotel for 40 Eastbourne Terrace, with the objective of pre-letting the hotel and disposing of it before practical completion. The decision to transform 40 Eastbourne Terrace into a hotel was in part driven by the physical constraints of the existing 1960's building. Whitbread's Premier Inn and hub by Premier Inn models were well-suited to the room sizes and number the building could offer. The hotel, consisting of over 350 rooms across the Premier Inn and hub by Premier Inn brands, will be one of Whitbread's first establishments where both brands operate from the same building. The construction process has prioritised sustainability, with the retention of the frame of 40 Eastbourne Terrace contributing to a more environmentally friendly build.

The speculative redevelopment of 50 Eastbourne Terrace, now known as Fifty Paddington, has resulted in 75,000 sq ft of Grade A office space, seven private residences, and 10,000 sq ft of retail space.

Improved accessibility

The impact of the Elizabeth line cannot be understated in its role in supporting this development. The ease of travel between Paddington and various outer London locations, such as Reading, Cirencester, and Bristol, has attracted occupiers to consider Paddington as a prime London office location. The regeneration

of Paddington Basin, the creation of retail and recreational spaces, excellent transport links, and the development of new office spaces have significantly boosted the entire submarket. This uplift is evident in the redevelopment of Eastbourne Terrace, with Landsec refurbishing numbers 10, 20, and 30. These refurbishment schemes have capitalised on Paddington's resurgence as a desirable business area, offering a campus-style community that caters to diverse business needs with easy access to Crossrail.

Sustainable placemaking

YardNine and Invesco placed a strong emphasis on sustainability throughout the development process. By incorporating public works of art and retaining the frame of 40 Eastbourne Terrace during construction, they demonstrated a commitment to preserving the existing infrastructure. The residential units are fully electric, and the office building at 50 Eastbourne Terrace boasts a vibrant terrace garden, designating 34% of the external area as green space. Through careful planning, YardNine achieved an impressive EPC A rating for Fifty Paddington. These sustainable practices have had a positive environmental and social impact on the local community.

Eastbourne Terrace falls within the auspices of the Paddington Partnership, which aims to enhance the overall area. YardNine and Invesco leveraged the existing planning consent for the office building at 50 Eastbourne Terrace to contribute to the improvement of the street and buildings. This collaborative effort aligns with the broader regeneration works taking place in Paddington, creating a more vibrant and desirable environment.

In conclusion, the developments at 40 and 50 Eastbourne Terrace exemplify successful regenerative placemaking and sustainable transformations. Through collaboration and a commitment to environmental and social impact, YardNine, Invesco, and other stakeholders have contributed to the revitalisation of the Eastbourne Terrace area within the broader context of the regeneration of Paddington.

Hanover Square

GPE



ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Lifschutz Davidson Sandilands & others	2020	Office – 167,785 sq ft Retail and restaurants – 4,184 sq ft	Bond Street

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
18 Hanover Square	BREEAM Excellent	A	WiredScore Platinum	WELL enabled
1 Medici Courtyard	BREEAM Excellent	-	-	-
20 Hanover Square (listed)	BREEAM Very Good	-	WiredScore Platinum	WELL enabled

Source: Knight Frank Research

Placemaking

The Hanover Square Development project represents a successful example of stakeholders collaborating to enhance the urban design and built environment in the historic district of Mayfair. Through the joint efforts of Westminster City Council, Transport for London (TfL), and GPE, the project has revitalised Hanover Square, creating a vibrant public realm allowing efficient access for pedestrians from other parts of the West End such as Soho. Here we provide an overview of the development, including its history, concept, and the positive impact it has had on the neighbourhood.

GPE acquired the 1.3 acre site between 2006 and 2008 ahead of the location of the future Bond Street Crossrail station having been finally decided. As part of the project, Crossrail/TfL acquired a portion of the site through a compulsory purchase while GPE retained the remaining buildings. Both parties committed to collaborating on the development of the over-station office and surrounding commercial buildings to create a truly mixed-use scheme. This partnership, to later include Westminster City Council, laid the foundation for the transformation of Hanover Square.



Concept

The core concept of the Hanover Square Development was to demolish all but the Grade II* listed building at 20 Hanover Square and the heritage facades fronting New Bond Street and creating four distinct buildings incorporating an entrance to the new Bond Street Elizabeth line station. The project aimed to create a mixed-use development and enhance the public realm

by introducing the new Medici Courtyard. To accommodate the courtyard, a partial demolition of 20 Hanover Square, was allowed by Westminster City Council. This decision was justified by the significant increase in public realm space generated by the demolition. Medici Courtyard, managed by GPE, whilst being privately owned public space, is open to both occupiers of Hanover Square and the public.



Features and Amenities

The development of Medici Courtyard and the adjacent Medici Arcade has significantly improved the neighbourhood. The Arcade, serving as a link between New Bond Street and Hanover Square, has attracted a range of retail occupiers, including renowned brands such as Canali, Moyses Stevens, and Pronovias. This has enhanced the permeability of the area, connecting Hanover Square to the neighbouring high end shopping destinations of New Bond Street and Brook Street.

Transformation and Impact

The revitalisation of this side of Hanover Square has transformed the micro-neighbourhood from what had previously become a slightly forlorn corner of Mayfair into the new gateway to the West End with the important adjacencies to the business districts of Soho and Fitzrovia. The semi-pedestrianisation of the Square has led to a reduction in traffic and improved air quality, creating a more pleasant and inviting atmosphere for residents, workers, and visitors alike. The development scheme has acted as the principal catalyst in the transformation and repositioning of Hanover Square to one of the most important locations in the West End.

Soho Place, One Oxford Street

Derwent London



ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Allford Hall Monaghan Morris	2022	Office – 191,000 sq ft Retail – 30,000 sq ft	Tottenham Court Road

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
Soho Place	BREEAM Outstanding	B	WiredScore Platinum	N/A

Source: Knight Frank Research

Placemaking development in the heart of Soho

Derwent London embarked on its £300 million Soho Place regeneration project at the eastern end of Oxford Street in collaboration with Westminster City Council and Transport for London (TFL). The development comprises office and retail space, a new public square and the first new-build theatre in London’s West End for 50 years (pre-let to Nimax Theatres).

Derwent has long been positioned to capitalise on the introduction of the Elizabeth line with 75% of the value of its portfolio located within 800m of a new station. The development of a large mixed-use scheme directly above Tottenham Court Road station has significantly improved the quality of the office stock and also provided contemporary space for premium retail brands. Moreover, the development included significant improvements to the public realm by creating a pedestrian square which separates the two newly developed buildings, connecting Soho Square with Charing Cross Road. The square also features the art installation “Geology Rebuilt” from ceramics artist Fernando Casasempere.

Collaborating with other stakeholders

The complexity of developing a scheme of this magnitude above a major transport interchange required close collaboration between TFL, LUL, Crossrail and project engineer, Arup. In addition, the overall development needed to incorporate a vast vent tower for Crossrail, a remodelled entrance to Tottenham Court Road Station and an operational building for London Underground.

The construction was undertaken to achieve best in class characteristics that would appeal to occupiers. Both the office and retail schemes achieved BREEAM ‘Outstanding’ accreditation, and an EPC rating of B. The design of the offices facilitates an enhanced workplace experience with natural light and ventilation, with terraces throughout and a communal roof terrace. The office building was fully let ahead of completion to research and technology firm G-Research and investment manager Apollo Group who relocated from a Mayfair location.



The Earnshaw

Royal London Asset Management



Crossrail as a catalyst

Crossrail played a pivotal role in the development of The Earnshaw. The decision to undertake a ground-up development was largely driven by the anticipation of the opening of the Elizabeth line. By strategically engineering the building's completion date to align with Crossrail's delivery, The Earnshaw aimed to benefit from the enhanced connectivity and regeneration improvements around Tottenham Court Road station and the surrounding area.

Design considerations and the new station

The design of The Earnshaw was influenced by the proximity of the new station. While the impact on the upper floor offices was limited, there was a focus on maximising natural light and providing outdoor spaces. The positioning of the office reception was carefully considered, with the entrance deliberately facing Soho Square to create a direct route to the station entrance.

Challenges of mixed-use

The Earnshaw faced several challenges associated with its mixed-use nature. Phasing and completion delivery had to align with Section 106 obligations. Demolition activities were carried out near adjacent live properties, including residential dwellings, offices, retail areas, film studios, and acoustic booth areas. Additionally, careful coordination was required to ensure the safety of adjacent London Underground, Royal Mail Tunnel, and Thames Water assets. The logistics of operating within an inner London city site posed further challenges.

Sustainable mixed-use development

The sustainability of mixed-use development can vary. Initially, delivering the retail units with gas provision posed challenges in terms of sustainability. However, a commitment to ongoing review and a focus on being best-in-class in terms of environmental, social, and governance (ESG) factors led to a change in the retail units to electric provision. The building now operates entirely on electricity, with a renewable energy supply, contributing to its sustainability credentials.

Striking a balance between uses

The development team aimed to strike a balance between uses to create a cohesive and mutually beneficial environment. The ground floor was designed to support the offices above, in line with the local authority's requirements and input from RLAM. By providing attractive and appropriate retail options, the development aimed to optimise the positioning of the asset and attract office occupiers.

Spill over benefits to the wider Soho submarket

The Earnshaw's presence will have a spill-over effect on the wider Soho, Covent Garden and Fitzrovia submarkets. With approximately 2,000 people working in the building, there will be an economic impact that affects the local neighbourhoods. The development is integral to the regeneration of the St Giles/Tottenham Court Road station area, contributing to the uplift of the public realm and architecture. It will complement other local developments such as Soho Place and Central St Giles, further enhancing the overall appeal of the area.

The Earnshaw development exemplifies the transformative power of strategic planning, sustainability-focused design, and the integration of mixed-use elements. Its careful consideration of Crossrail, sustainability measures, and the balance of uses has resulted in a project that not only enhances the local area but also attracts occupiers and contributes to the wider submarket's development.

ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Apt	2023	Office – 140,000 sq ft Retail and leisure – 19,500 sq ft	Tottenham Court Road

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
The Earnshaw	BREEAM Outstanding	A	WiredScore Gold	WELL Core Gold

Source: Knight Frank Research

Johnson Gardens

Arax Properties



ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
AHMM	-	Office - 50,293 sq ft 14 Residential Apartments	Farringdon

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
Johnson Gardens	BREEAM Excellent	B	WiredScore Platinum	Fitwel

Source: Knight Frank Research

Campus style overhaul and enhanced amenities

The improved transportation infrastructure and vibrancy of the Farringdon office market were key considerations when Arax Properties acquired the four buildings which comprise the Johnson Estate in 2019. By leveraging the existing configuration which opened onto a courtyard, it provided an opportunity to create an amenity rich campus style office. The Fitwel Community Star was awarded to the estate for its amenity offering, including new roof gardens and an events program for occupiers. A fully fitted wellness suite with a dedicated manager organising charity, community, and other wellness related events was created, prioritising occupier wellbeing.

Collaborating with other stakeholders

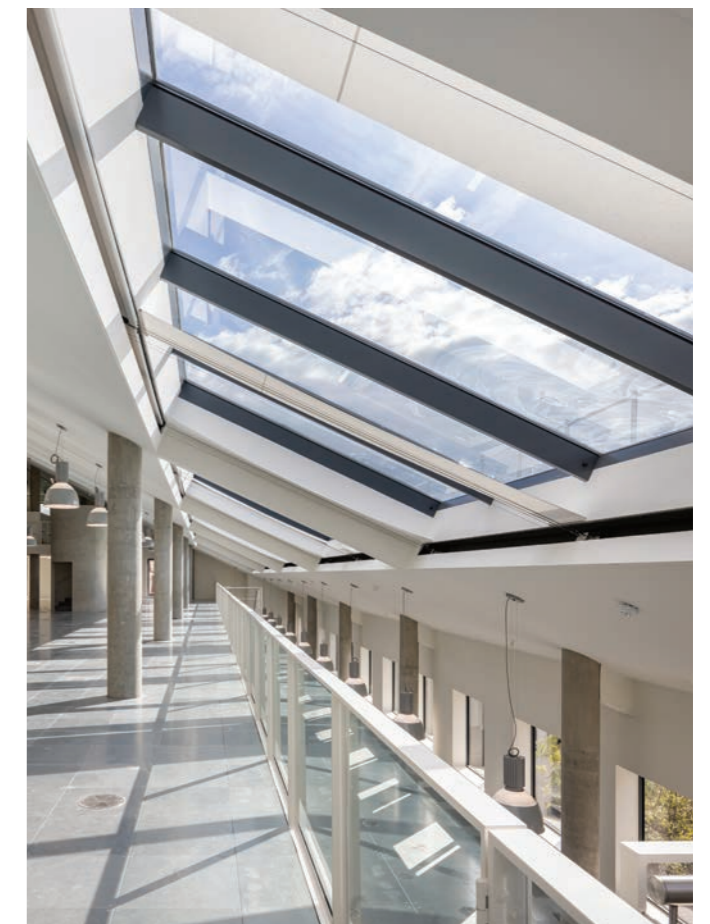
Arax Properties initiated a collaborative effort throughout the development process, working closely with the Hatton Garden and City Business Improvement District (BID) to enhance cleanliness, waste collection patrols, and security in the area.

The streetscape was improved through the addition of planting along Hatton Garden. The installation of a mural on the courtyard building in partnership with the UN Gender Equality Commission and Street Art for Mankind garnered broad neighbourhood support, adding to the cultural appeal of the estate.

Sustainability measures

Environmental considerations were central to the refurbishment project. Operational efficiencies implemented include a zero-to-landfill commitment and sourcing 100% green power. Arax calculated significant embodied carbon savings of 1,663 to 2,564 tonnes of CO2 in the Johnson Building alone compared to an equivalent new build. The Johnson Building achieved BREEAM Excellent and EPC B certifications.

The Johnson Estate now offers an attractive and environmentally considerate workspace, benefiting from improved transport links and meeting the needs of modern occupiers.



8 Bleeding Heart Yard

Seaforth Land



Sustainable refurbishment

From the outset sustainability was at the heart of the comprehensive refurbishment of 8 Bleeding Heart Yard, with the approach championing technology and community to inform decision making throughout every part of the development process. Innovative use of 3D-mapping technology, as well as community consultations fed into surveys that informed the final design and tested the outcomes of different material uses.

Initially, retaining the structure itself is an example of architectural design that integrates net zero principles, bringing embedded carbon savings to 613 tonnes (equivalent to planting 613 trees). Through the use of cross-laminated timber to create two new floors and insulation of existing brick walls, further carbon emission reduction was actualised.

Another key feature of the sustainability-led redevelopment was the use of mass timber for the infill of the roof. This was comprised of adjoining solid wood panels providing strength and stability to the building structure, which was a robust, low-carbon alternative to concrete and steel. Moreover, the façade of the building was built with 35% responsibly sourced recycled metal.

In addition to the structure and materials used, further sustainably led decisions were made to the mechanical and electrical installations within the building. By choosing to insulate the building from the outside, the loss of heat through the foundations of the building were considerably reduced. Mechanical ventilation heat recovery, openable windows and a terrace all helped to

responsibly reduce operational energy consumption whilst a hybrid VRF air conditioning system was used to reduce carbon emissions by a further 19% as well as lowering running costs. Furthermore, with a zero fossil fuel strategy, the building was set up to function with only sustainably sourced electricity including renewable energy sources in the form of 45 sqm photovoltaic cells.

Working collaboratively with the architects and subsequently the occupier, more of the existing 1960s structure was retained and, while the offices spanned the upper floors, the ground and first floor levels were adapted for restaurant and retail use. The existing lightwell was also repurposed to provide cycle and changing facilities for the building's occupants. The building also incorporates a dedicated 1,468sq ft of affordable workspace intended to provide jewellery start-ups a space to work in keeping with the surrounding Hatton Garden offering.

Securing a large occupier

The premium grade refurbishment was major factor in securing the letting of Swiss bank Julius Baer for its new UK headquarters. The banking group required a new office which complemented its own drive to reduce carbon emissions and a workplace that aligned with its evolving hybrid work model for its employees.

The positioning and redevelopment of 8 Bleeding Hart Yard is a prime example of how the adaptive reuse of existing space can create sustainable workplaces increasingly in demand by large global occupiers.

ARCHITECT	COMPLETION DATE	USE	ELIZABETH LINE STATION
Groupwork + Amin Taha	2022	Office – 35,566	Farringdon

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
8 Bleeding Heart Yard	BREEAM Very Good	B	-	-

Source: Knight Frank Research

The JJ Mack Building

Helical and Ashby Capital



ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Lifschutz Davidson Sandilands	2022	Office - 200,000 sq ft Retail - 5,500 sq ft	Farringdon

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
The JJ Mack Building	BREEAM Outstanding NABERS 5 Stars (targeted)	A	Smart Spaces	WELL Enabled

Source: Knight Frank Research

Ultra-high level of amenity provision enhancing wellbeing

The proximity of Farringdon Elizabeth line station was a key motivation behind Helical acquiring the site at 33 Charterhouse Street where The JJ Mack Building would be developed. In fact, proximity to Elizabeth line stations is central to Helical's development strategy highlighted by its current portfolio of buildings all located within a maximum of 12 minutes walking time of a new station. most significantly closer.

The ambition was to deliver a high-quality, sustainable, and amenity rich extension of the home. The building includes a ground floor bike store, with access immediately onto Cycle Superhighway 6. This houses 426 cycle storage spaces including folding bike lockers, recliner bike spaces and electric bike charging points. The cycle store also has a comprehensive bike surgery, a bike wash down point and water fountain.

A well-designed staircase (with music playing within) leads you down to the changing rooms (which can also be reached via lift). These are well appointed spaces incorporating showers, lockers, hairdryers, straighteners, phone charging lockers, shoe cleaning machines, irons and ironing boards, drying cupboards and complimentary towels and toiletries. Just outside the changing rooms are laundry/dry cleaning deposit and pick up points and a smart vending machine for useful day to day items, such as toiletries, tights, and healthy snacks. There are further water fountains in the changing rooms and smart screens situated throughout the building communicating important information such as travel information, building information and sustainability updates which gathers data directly from the building wide sensor network.

The ground floor reception incorporates an elegant furnished touch down area for the use of all occupiers as a casual work/meeting location. There are multiple terraces throughout the building with uninterrupted views across London.

Uniquely sustainable

The innovative approach to sustainability in terms of design and operation was an essential

driver of the development and has resulted in BREEAM 'Outstanding' and (targeted) NABERS 5 Stars accreditations. Occupiers are increasingly targeting buildings with superior sustainability and carbon reduction commitments; industry wide, recognised accreditations and certifications are key to demonstrate sustainability credentials and allow building to building comparisons to be drawn by potential occupiers.

The whole lifecycle carbon output of The JJ Mack Building shows an improvement of 25% over the current GLA benchmark. This is attributable to thoughtful design and material selection, intelligent use of smart technology allowing sustainable occupation and connection to Citigen district heating network, eliminating the requirement for in building plant and fossil fuel combustion.

The building has a cutting-edge water harvesting system which is linked to real time MET Office data, enabling heavy rainfall to be anticipated and accommodated. Grey water is also collected from the showers and taps which, along with the harvested rainwater, is organically treated within the building and used to feed all toilet flushing systems. When combined with low flow and intelligent fixtures, potable water consumption can be reduced by up to 70%.

Harnessing the latest technology advances

The building incorporates an extensive sensor network, not only monitoring air quality but monitoring occupational density, meaning that the buildings systems can be run on a needs basis, saving cost and energy consumption. Each floor is zoned so that areas that are not being used can be shut down accordingly. The building's digital twin allows a very granular level of control, right down to the individual light fitting or fan coil unit, which can be adjusted from the building's bespoke app.

The building is located at the entrance to Smithfield Market immediately opposite the new London Museum site. The Barbican and Hatton Garden are all walkable, expanding the outside cultural and amenity offer that is available to occupiers of the building.

55 Old Broad Street

Landsec



ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Fletcher Priest	Future development	Total – 480,000 sq ft	Liverpool Street

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
55 Old Broad Street	BREEAM Outstanding NABERS 5.5 Star	A	WiredScore Platinum	5

Source: Knight Frank Research

The vision

“Anything but a traditional City tower”, 55 Old Broad Street, is a proposed next generation office development in the City of London by Landsec, balancing the needs of increased permeability, world class public realm, cultural attractions, sustainability, and the aspirational requirements of office occupiers.

Although, the planning application was very recently submitted for the c.£500 million office led development, work on the project began soon after the site was acquired in 2020.

Sustainability-led building design

55 Old Broad Street incorporates several sustainability-led aspects in its design. The building will be all-electric, utilising reversible air source heat pumps for heating and cooling. Mixed-mode ventilation and highly efficient building systems contribute to energy efficiency. The design also emphasises occupant well-being with accessible terraces, visible stairs, and improved site biodiversity through outdoor and indoor biophilia. The project targets BREEAM Outstanding and NABERS UK 5* accreditations.

Reducing carbon emissions

In the pursuit of reduced carbon emissions, 55 Old Broad Street incorporates innovative building practices. As part of the demolition process, existing materials are recovered for reuse in the most energy and carbon-efficient manner. Circular economy principles are integrated into the design, allowing salvaged and broken pre-cast panels and glass to be incorporated into the facade. The building's façade system has been designed to generate 50% less carbon over its lifespan compared to a typical unitised façade system. Generative software has been utilised to find the most efficient façade solution, considering environmental, aesthetic, and commercial parameters.

Challenges of mixed-use development

Mixed-use development presents several challenges, primarily centred around achieving the right balance between different types of uses. The goal is to ensure that the uses are complementary and can sustain each other and the local community. The ground floors of larger developments are particularly crucial, and 55 Old Broad Street has addressed this challenge by providing a new hub for creative activity, cultural venues, a visitor cycle hub, a historic pub, retail units, and an office reception space. By combining various uses within a single development, it creates a more attractive and diverse environment, fostering sustainable urban living and reducing the need for excessive commuting.

The balance between uses at 55 Old Broad Street was achieved through a combination of public engagement, identification of local needs and aspirations through research and planning policy, consideration of commercial drivers, and the desire to transform the ground floor experience. The development aimed to create a cohesive and vibrant environment that responds to the demands and desires of both occupants and the local community.



100 Liverpool Street

British Land



Amongst London's first net-zero developments

The development of 100 Liverpool Street was hugely complex. It required construction above the main entrance to one of London's busiest transport interchanges and the station's shopping mall. The completed project exemplified industry leading sustainable mixed-use development and was the first to be built as part of British Land's commitment to accomplishing net-zero carbon emissions. This is underscored by the embodied carbon at 100 Liverpool Street being almost one-third of industry benchmarks.

This was partly achieved by retaining and reusing substantial amounts of steel and concrete from the original building. More specifically, recycling 32% of the original steel frame saved 3,435 tonnes of carbon. Whilst almost 50% of the concrete foundations and concrete floor slabs were retained saving 4,086 tonnes of carbon. The embodied emissions were further reduced by sourcing lower carbon recycled materials and offsetting around 26,000 tonnes of carbon with certified schemes.

Harnessing technology to create smart offices

The 'smart' building strategy at 100 Liverpool Street incorporates the use of British Land's BL:Connect platform. This gathers real-time data from 9,000 assets, including fan coil units, escalators, light bulbs, and sensors. This allows insightful analysis for optimising space utilisation, improving energy efficiency, reducing water consumption and better waste management. This data-driven approach as led to positive tangible results such as reducing lighting levels to 50% in unoccupied areas.

100 Liverpool Street is powered by 100% renewable electricity and has received multiple certifications, highlighting its sustainability and wellbeing credentials. These include BREEAM, Outstanding, WiredScore Platinum, and the WELL Gold accreditation.

Amenity rich

Situated within the wider Broadgate campus, there is immediate access to Liverpool Street station, and further entrance points at Broadgate Circle and Octagon Mall. The building provides large and flexible workspaces and is amongst one of the most amenity rich office locations in London attracting large global occupiers. The occupiers reflect the dominance of financial and legal services near Liverpool Street station and include Peel Hunt, Mitsui Banking Corporation, Bank of Montreal, and the law firm Milbank.

The workplace experience is lifted by terraced floors and hospitality amenities such as café's and a rooftop restaurant which also has outdoor terraces offering panoramic views of St Paul's Cathedral. Further comfort and convenience is provided by three floors occupied by premium retail brands.

ARCHITECT	COMPLETION DATE	MIXED USE	ELIZABETH LINE STATION
Hopkins Architects	2020	Office – 430,000 sq ft Retail – 90,000 sq ft	Liverpool Street

Key Development Stats	Environmental	EPC	Digital Connectivity	Wellbeing
100 Liverpool Street	BREEAM Outstanding	A	WiredScore Platinum	WELL Gold

Source: Knight Frank Research

Conclusion and key learnings

Conclusion

In this report we have explored the wide ranging positive impact of the Elizabeth line on central London. **Greater jobs growth** benefitting firms, workers and the office economy.

Leasing market outperformance in locations within a 10-minute walking time of an Elizabeth line station, reflecting strong latent demand for prime space.

Delivery of **best-in-class mixed-use**, sustainable schemes with offices at their core and their increased attraction to large occupiers.

This report uses the latest data and market analysis to show how the Elizabeth line has directly supported new jobs, development of sustainable mixed-use schemes and tangible public realm improvements.

It has led to an uplift in mobility and footfall in the capital's office, retail and arts districts, aiding the city's post-Covid recovery.

Business and civic leaders have shown how through collaboration the principles of modern urban design

can regenerate and strengthen areas, creating vibrant walkable districts which should be used as a blueprint for future infrastructure projects.

New development linked to the Elizabeth line project has sustainability at its core, with improved walkability and greater numbers of 'green' buildings. Investing in the built environment will play a crucial role in achieving London's net zero ambitions.

Key learnings and recommendations

1. Greater levels of redevelopment

The Elizabeth line has had a marked impact on London's office economy driving the growth of emerging business districts such as Paddington and Farringdon, while also increasing the appeal of traditional locations in the City and West End. While occupier requirements are increasingly driven to the best-in-class nature of offices in these locations, existing and future supply is unlikely to meet the level of demand we are seeing. **Encouraging greater levels of office redevelopment around stations in future projects is essential to capitalise on anticipated demand levels.**

2. Ensure consistency in planning to deliver net zero buildings - faster

The report highlights the appeal of **sustainable best-in-class offices** among global occupiers who can choose where to locate at an international level. If London is to remain a globally competitive city and attract both businesses and talent, we need to **take a Retrofit First, Not Retrofit Only approach to creating the sustainable offices of the future.** A consistent approach to planning that would create greater certainty and less risk for investors and developers, would result in the more speedy delivery of high specification, net zero offices and help to meet demand.

3. Long term planning is essential

The analysis demonstrates how improved connectivity has increased office occupancy. Good transport infrastructure that makes journeys easier, quicker and more comfortable, will bring people back to the office, driving associated agglomeration benefits that then flow to the wider economy. It also brings people to central London's cultural attractions, shops, bars and restaurants, of which thousands of jobs and the capital's economy depends. It is therefore imperative that long-term planning of transport infrastructure that improves connectivity between and within UK cities is prioritised. **The Government needs to accelerate the full delivery of HS2 including its Euston terminus. The mothballed extension of the Bakerloo line, should be reviewed and Crossrail 2 planning resumed.**

4. Harness the skills and expertise acquired for the next project

The success of the Elizabeth line is a testament to the public and private sector partnership and collaboration on the project, but also the significant planning, leadership and vision of the people driving it. Multi-stakeholder teams worked collaboratively for many years prior to the start of construction work. **The skillset and experience acquired is invaluable and should be harnessed for future projects, such as Crossrail 2.** Given the time it takes to plan a project of this scale and build teams to deliver it, this work needs to begin now.

5. Leadership and cross-party working and support necessary to drive projects forward

Leadership has been vital to the eventual delivery of the project, but it was first proposed several decades before it opened. Large infrastructure projects are expensive and are often at the mercy of political and economic changes leaving them vulnerable to political whim. Just as we saw in 1991 with the now Elizabeth line, we are seeing the same today with the Euston terminus at HS2. If projects are to attract required levels of finance and funding, investors and the public need to have confidence that they will become a reality. **Schemes of such regional and national importance would benefit if they were part of a National Transport Strategy, complementing the work of the National Infrastructure Commission overseen by a cross-party strategic infrastructure group to drive them forward through election cycles.**

6. Consider innovative funding models

To make the Elizabeth line a reality, it is important to remember that up to 70% of the Elizabeth line is being funded by Londoners and London businesses via fares, the Mayoral CIL and other taxes and charges. This is an example of how targeted, localised funding models can unlock vast infrastructure improvements and economic growth without draining the national infrastructure purse. We need to build on the success of this model and **consider how innovative funding**

models, such as Tax Incremental Financing and a fair and targeted property tax, could help pay for much-needed future infrastructure. Counties that also benefited from the project, including Berkshire, Buckinghamshire and Essex contributed very little, despite seeing some of the benefits.

7. Maximise placemaking to create sustainable places and spaces

The ability of transport, infrastructure and the built environment to drive economic growth is clear. It was a coincidence that the Elizabeth line opened just as London emerged from the Covid pandemic, but it has in some ways ended up opening at the time when the capital needed it the most. The new amenities, office space, public realm and attractions created as a result of the Elizabeth line will continue to bring people to central London to enjoy all it has to offer. **Future projects must look at how we can bring private and public sectors together earlier to further maximise placemaking and enhance the built environment.**

Appendix Elizabeth line submarket performance

In this section, we show our analysis of leasing market trends in central London locations within 10 minutes' walking time of an Elizabeth line station.

Liverpool Street

Resilient take-up

Take-up is 17% below trend in the City but only 12% below trend in Liverpool Street (EL).

Growing market share

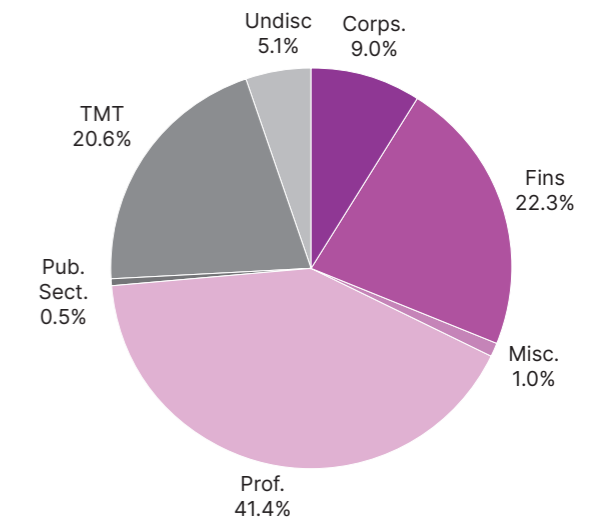
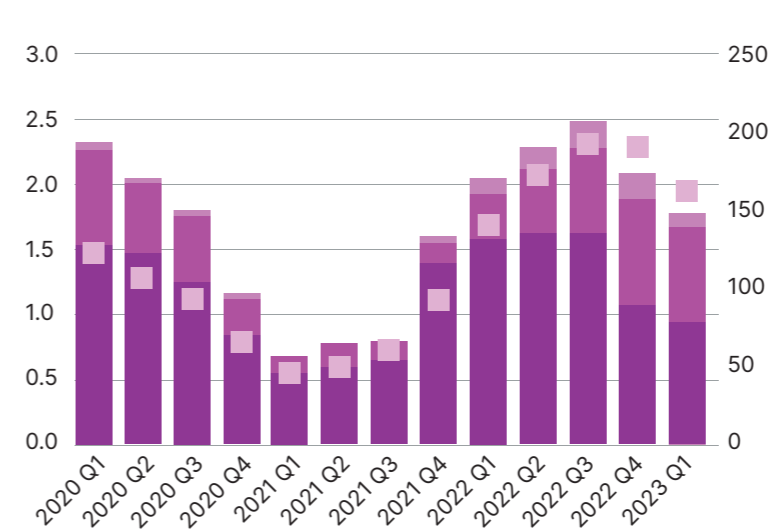
Accounting for 36% of all lettings in City compared with 23% 10 years ago.

CHART 6:
Resilient take-up

Liverpool Street (EL) - Take-up

4 qtr take-up, m sq ft (LHS), No. of deals (RHS)

■ New/Refurb ■ S/hand A ■ S/hand B ■ Transactions



Source: Knight Frank Research

Professional services dominate

Driven by the legal sector in particular, professional services are the largest occupier group.

Diverse occupier base

Technology, media and telecoms (20.6%) and financials (22.3%) add to the eclectic mix of occupiers.

Dominant submarket

Approximately one-third of lettings activity in the key occupier groups takes place in Liverpool Street (EL).

Relatively more activity in larger size band buildings

Almost one third of take-up is in buildings greater than 60,000 sq ft compared with 25% across London.

Low availability

Less than 30% of available space in the City.

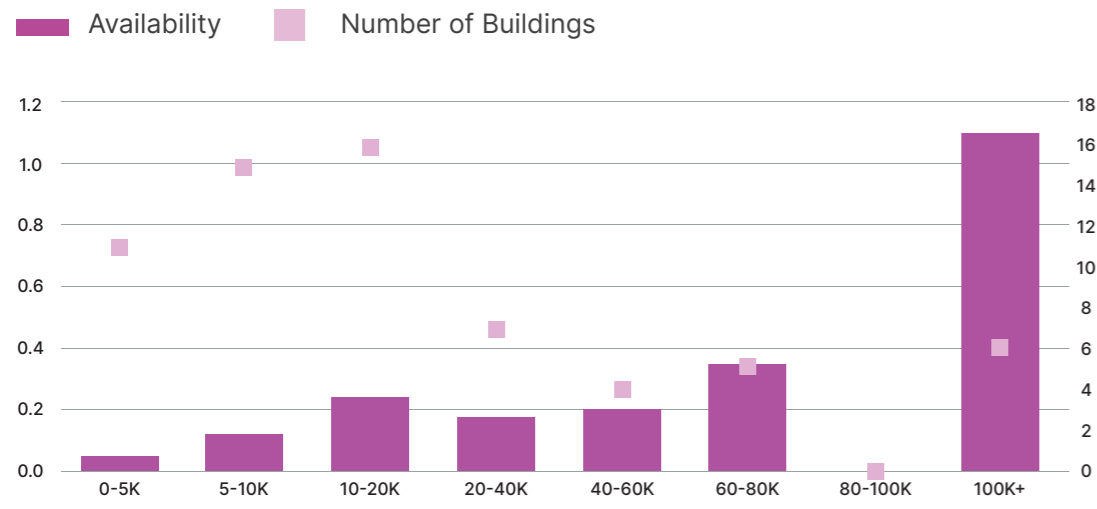
Limited choice for large space

Only 11 available prime buildings above 60,000 sq ft.

CHART 7: **Low prime availability in larger size band buildings**

Liverpool Street (EL) - Prime Availability by Size Band

m sq ft (LHS), Number (RHS)



Source: Knight Frank Research

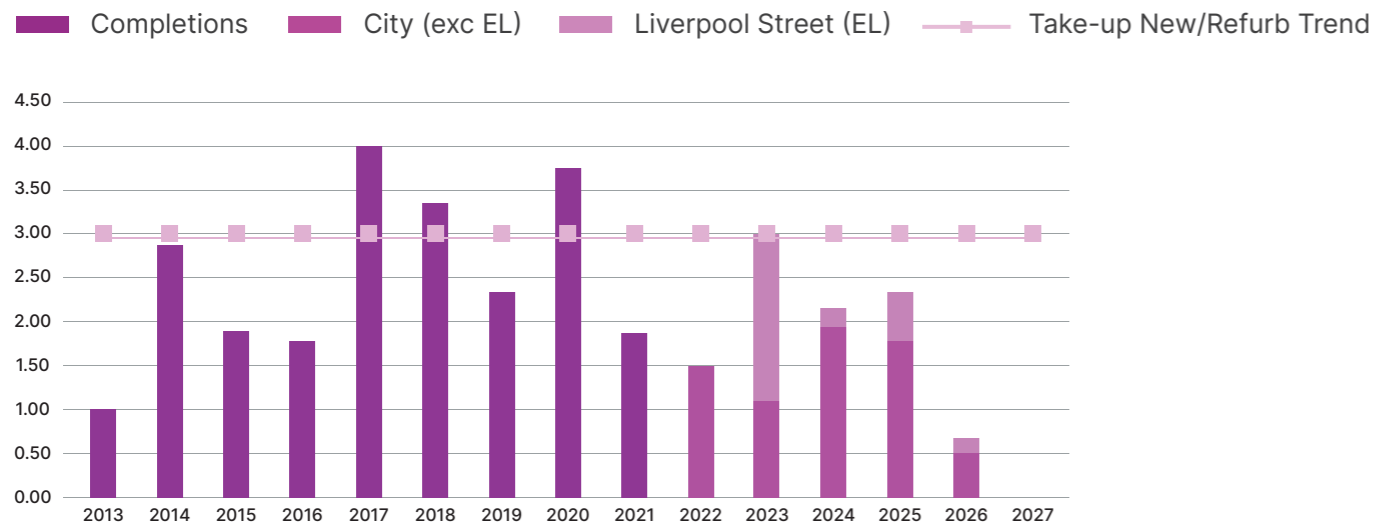
Under-supply of prime space

The current pipeline falls short of average levels of take-up over the last 10 years suggesting a shortfall of c.6m sq ft.

CHART 8: **Development completions fall short of expected new demand**

City - Development Completions

m sq ft



Source: Knight Frank Research

New supply is modest

There is 2.9m sq ft of new completions to be delivered by 2026 which accounts for 35% of all City development.

Farringdon

Above trend take-up

Overall lettings activity is above pre-pandemic levels with current take-up at just over 20% greater than the average of the last 10 years.

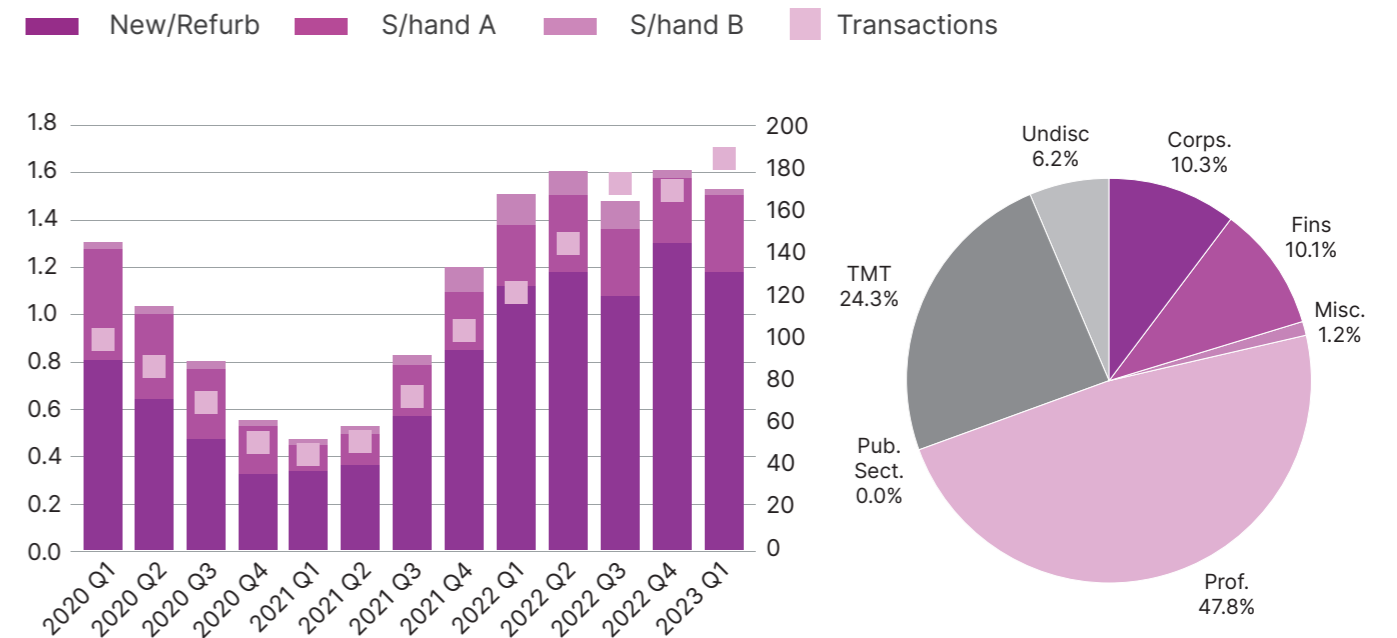
Rising market share

The Farringdon submarket accounts for 31% of the City market compared with 23% 10 years ago.

CHART 9: **Take-up outpacing historic trend**

Farringdon (EL) - Take up

4 qtr take-up, m sq ft (LHS), No. of deals (RHS)



Source: Knight Frank Research

Rising share of professional services

The share of lettings by professional services (48%) has more than doubled over the last 10 years.

TMT hub

Technology and media occupiers have established Farringdon has a core submarket for occupation reflecting almost 25% of all lettings.

Dominant submarket

Just below 40% of all technology, media and telecoms lettings in the City take place in Farringdon.

Transactions greater in smaller size band buildings

Almost 70% of lettings are in buildings less than 40,000 sq ft.

Low availability

Only 20% of all available space in the City is in Farringdon.

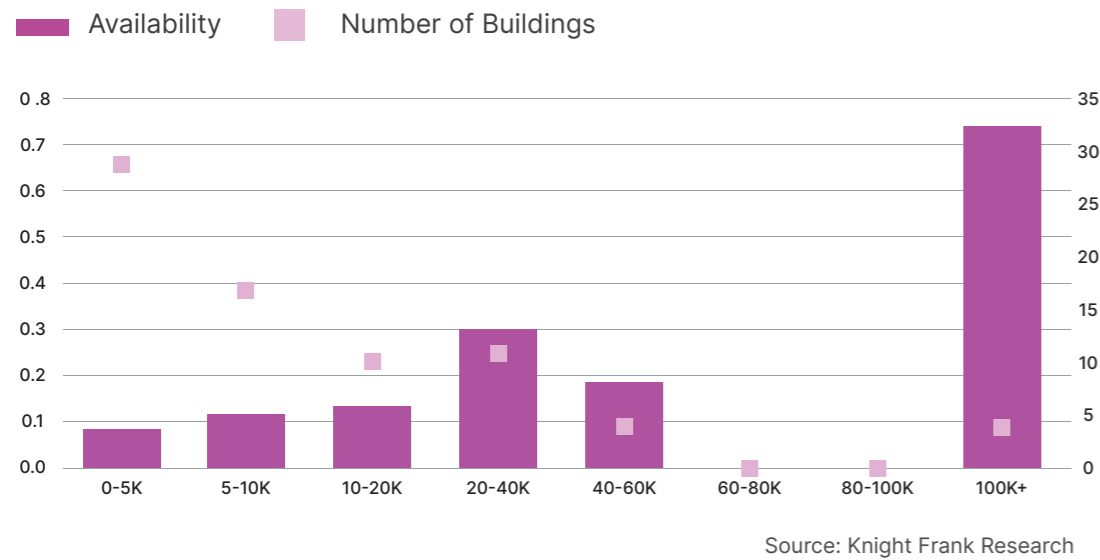
Limited choice for large space

Only four available buildings that can accommodate demand for space greater than 60,000 sq ft.

CHART 10:
Very low availability of larger buildings

Farringdon (EL) - Prime Availability by Size Band

m sq ft (LHS), Number (RHS)



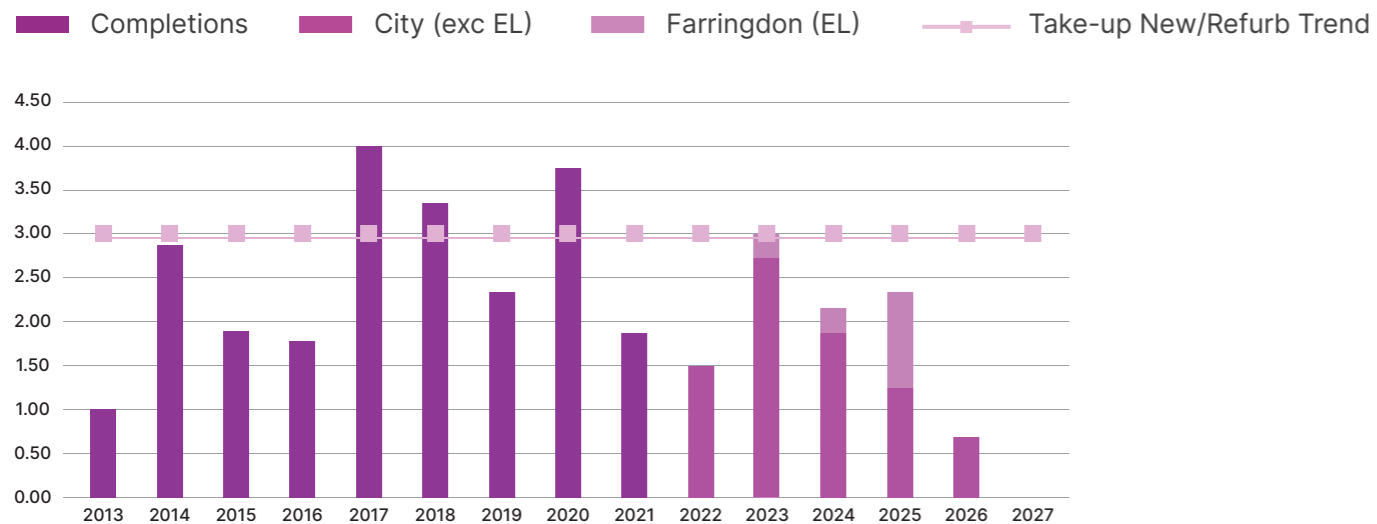
Dominant City submarkets

Over half (55%) of all City development is in the Liverpool Street (EL) and Farringdon (EL) submarkets.

CHART 11:
Modest level of future completions

City - Development Completions

m sq ft



Peak in development cycle in 2025

There is 1.6m sq ft of new completions expected to complete in Farringdon (EL) by 2026 representing 20% of future City completions.

Tottenham Court Road

Marginally below trend

Following a period of strong lettings activity, take-up has moderated to 6% below trend.

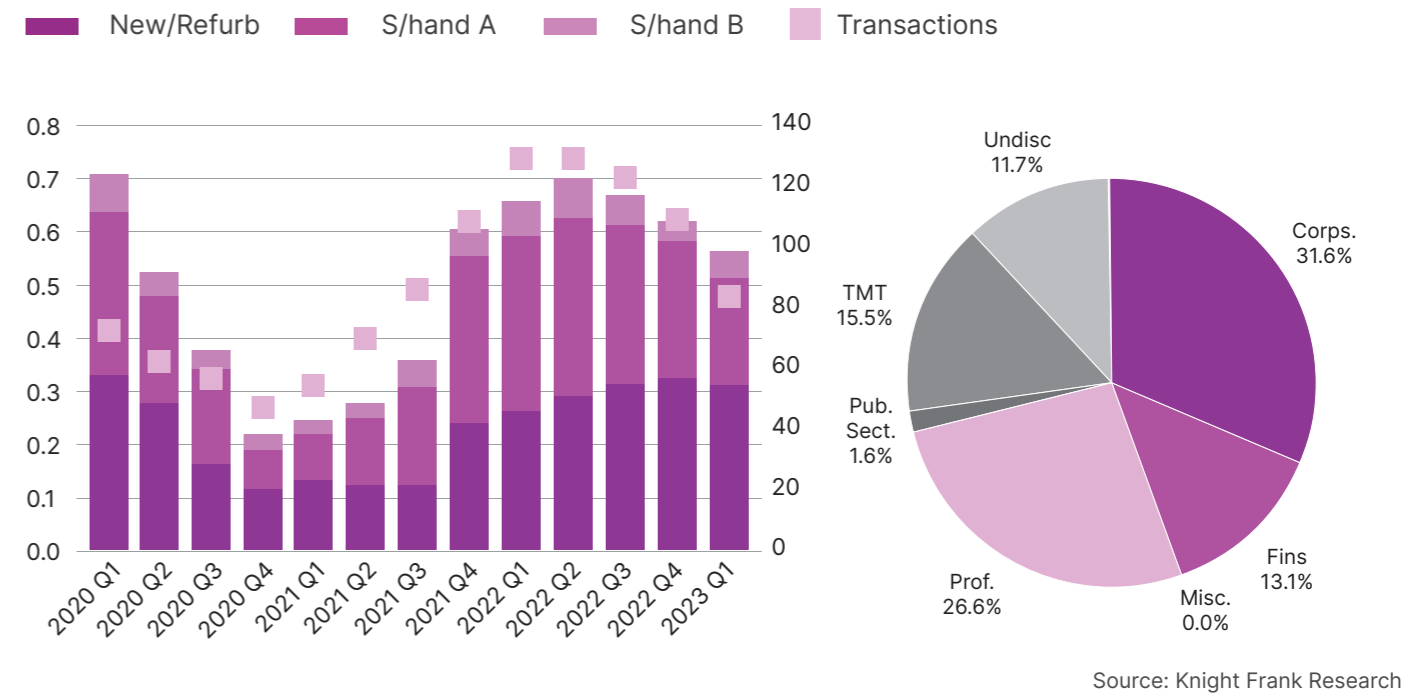
Small rise in market share

Leasing transactions account for 15% of all West End activity which has risen from 9.6% over the last 10 years.

CHART 12:
Recent easing in take-up

Tottenham Court Road (EL) - Take-up

4 qtr take-up, m sq ft (LHS), No. of deals (RHS)



Rising corporate HQ relocations

The largest driver of take-up have been corporate HQ transactions which account for just over 30% of the submarket.

Variety of occupiers

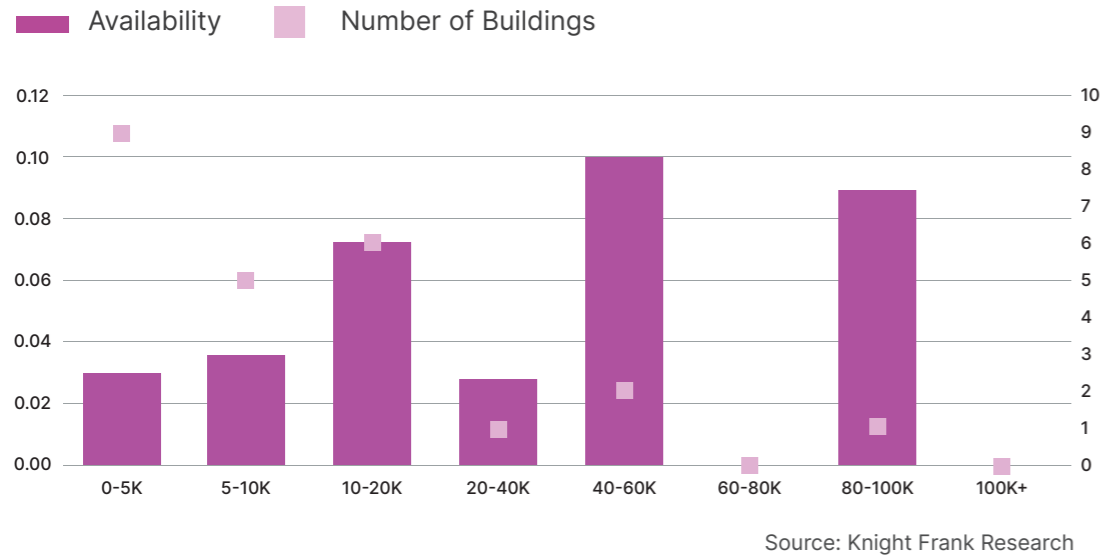
Professional services (27%) and technology, media and telecoms (15.5%) are the next largest occupier groups in Tottenham Court Road (EL).

Relatively more activity in larger size band buildings

Almost one third of take-up is in buildings greater 60,000 sq ft compared with 25% across London.

CHART 13:
Limited availability of large prime buildings

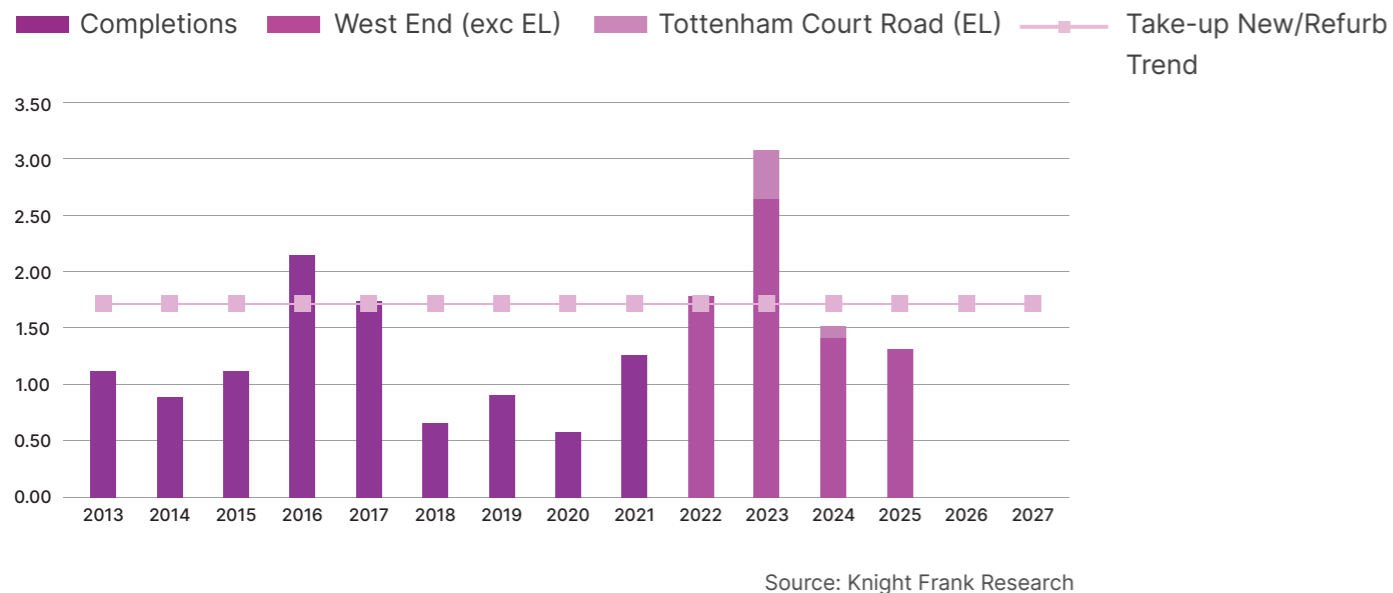
Tottenham Court Road (EL) - Prime Availability by Size Band
m sq ft (LHS), Number (RHS)



Pipeline is low

There are only six schemes currently under-construction which will deliver 540,000 sq ft of new office space.

Tottenham Court Road (EL) - Development Completions
m sq ft



Relatively more activity in larger size band buildings

Majority of available prime space contained in small buildings: There are only four available buildings above 20,000 sq ft.

CHART 14:
Pipeline to complete in 2025

Bond Street

Strong demand

One of the strongest performing markets in London with annual take-up growing 65% above the long-term trend.

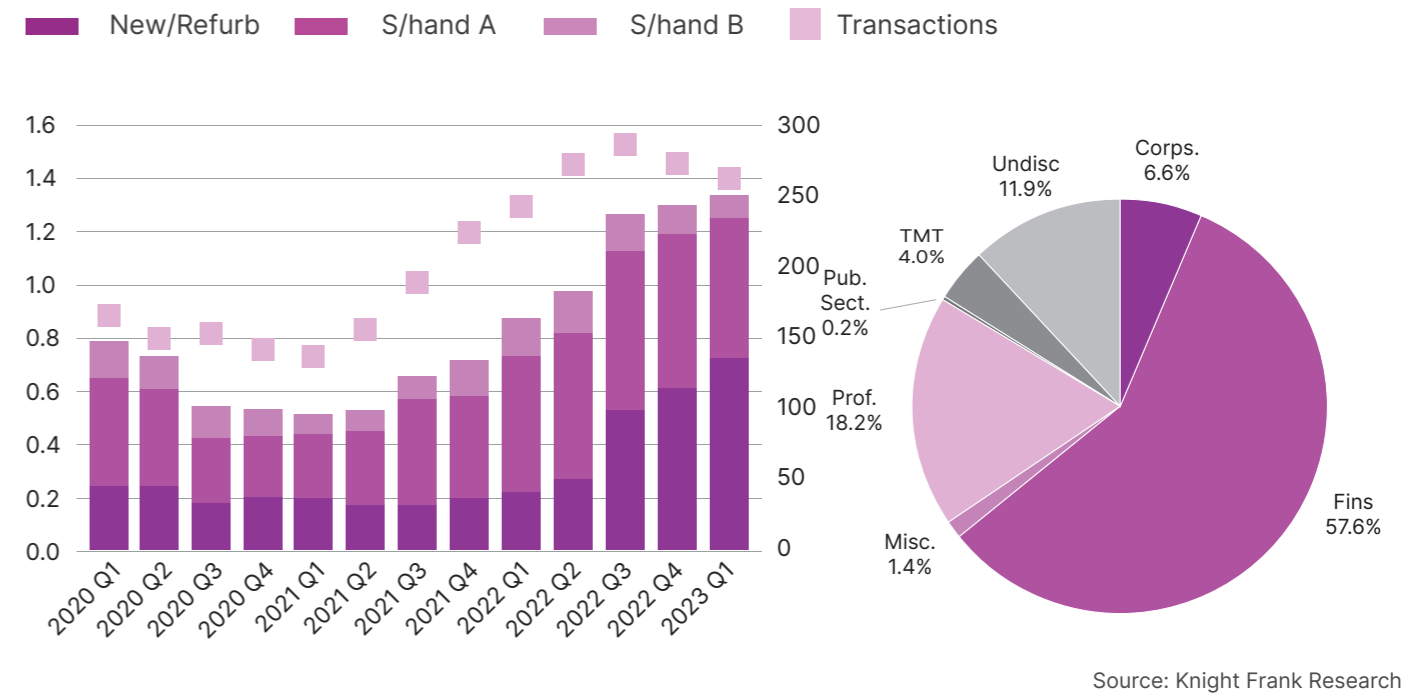
Market share has doubled

The Bond Street (EL) share of transactions in the West End have grown to almost 30%.

CHART 15:
Above trend take-up

Bond Street (EL) - Take-up

4 qtr Take-up, m sq ft (LHS), No. of deals (RHS)



Considerable growth in financials take-up

Since the end of the pandemic, leasing transactions by financial services have accelerated to an annual average of 170,000 sq ft from 40,000 sq ft.

Significant clustering of niche financials

Bond Street (EL) accounts for over 40% of all lettings by financials in the West End.

Demand for larger floorplates

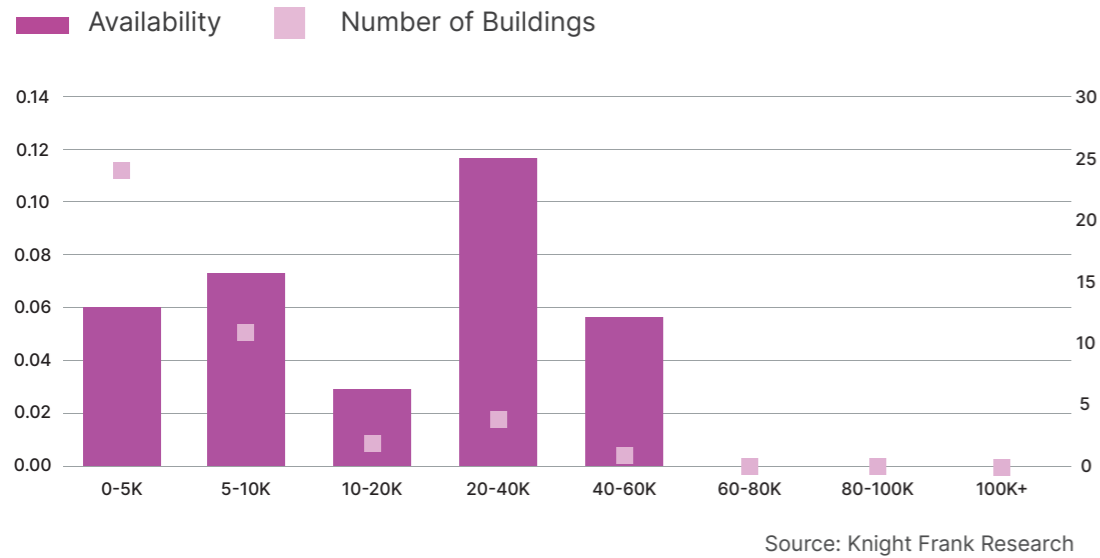
Current annual take-up of buildings greater than 80,000 sq ft represents just over 30% of leasing activity compared with a long-term average of 2%.

Acute shortage of prime buildings

There are only six available mid-sized prime buildings (10-60,000 sq ft) and no availability of larger size band buildings

CHART 16:
No availability above 60,000 sq ft

Bond Street (EL) - Prime Availability by Size Band
m sq ft (LHS), Number (RHS)

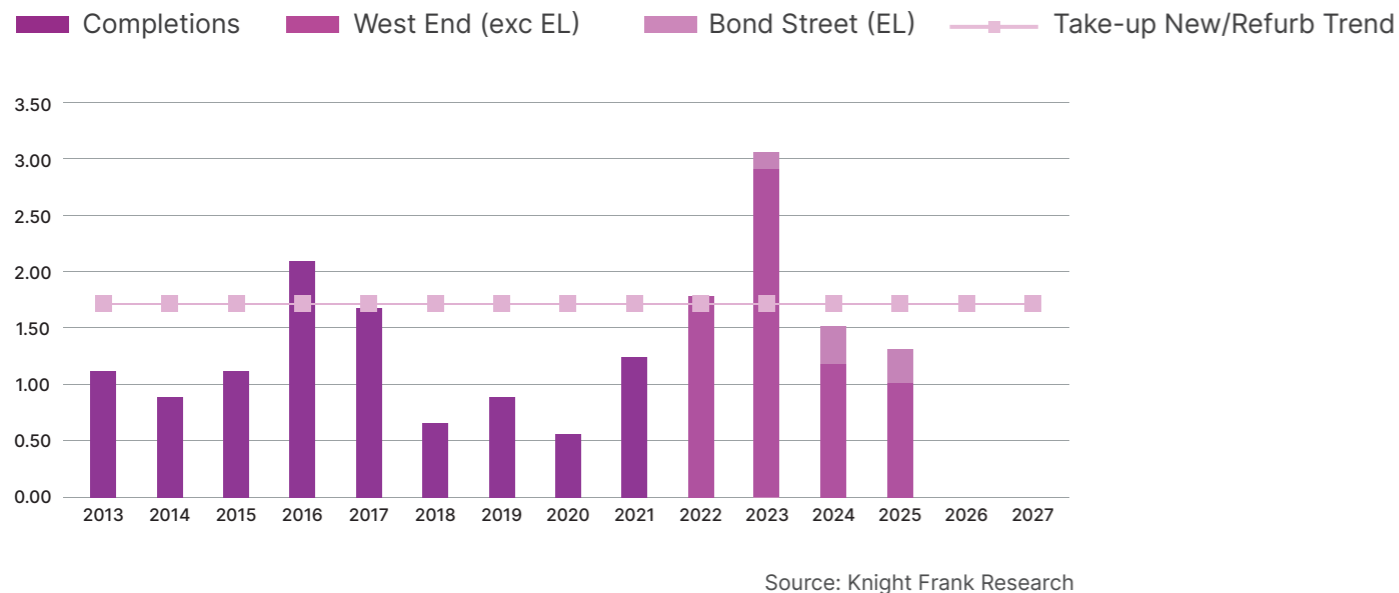


Availability squeeze compounded by pipeline

There is 800,000 sq ft of expected development completions in Bond Street (EL). This compares to current annual take-up of prime buildings of 740,000 sq ft.

CHART 17:
Modest Bond Street completions

Bond Street (EL) - Developments Completions
m sq ft



Paddington

Above pre-pandemic take-up

Recent completions have been the catalyst for lettings transactions growing by just over 150% above trend.

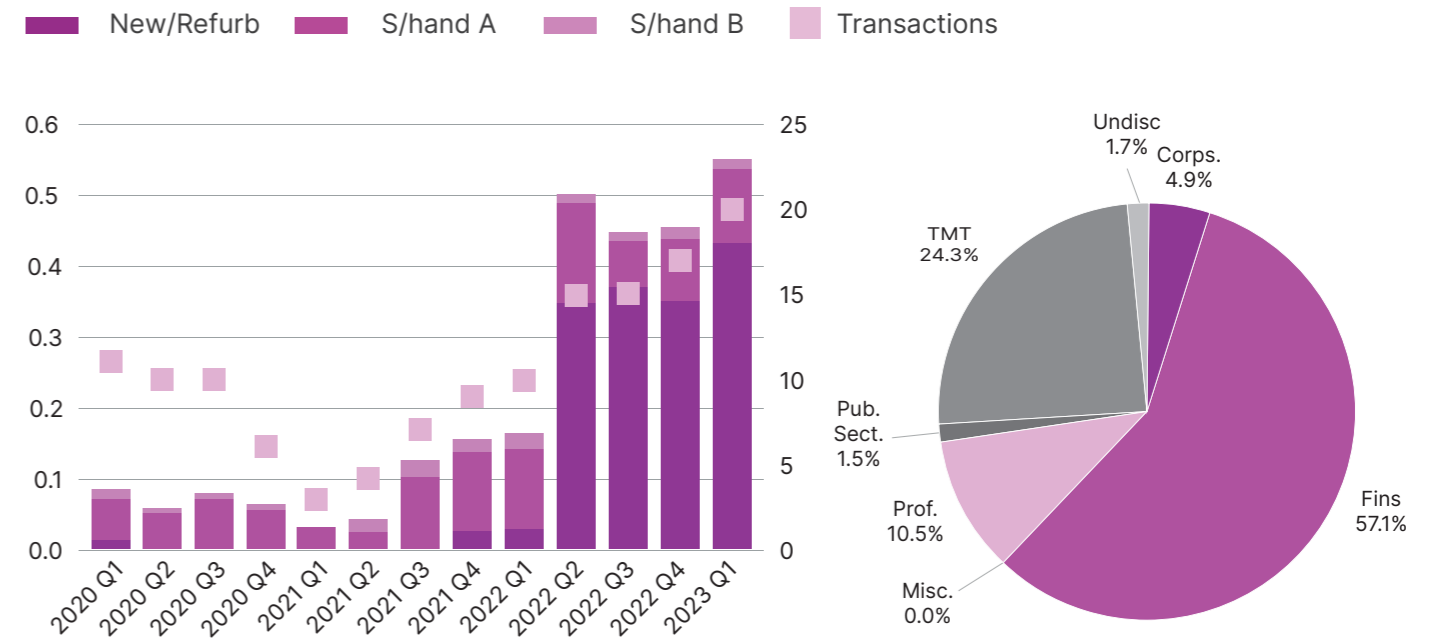
Rising market share

The Paddington (EL) submarket has grown from a 3% share of the West End ten years ago to 11% in 2023 Q1.

CHART 18:
Record high take-up

Paddington (EL) - Take-up

4 qtr Take-up, m sq ft (LHS), No. of deals (RHS)



Growing demand from financials and TMT

Financial services and technology, media and telecoms companies are the two key occupier groups accounting for nearly 25% and 60% of annual take-up respectively.

Especially for larger size band buildings

Take-up has been driven to larger size band buildings with 70% of lettings above 60,000 sq ft.

Acute availability of prime space

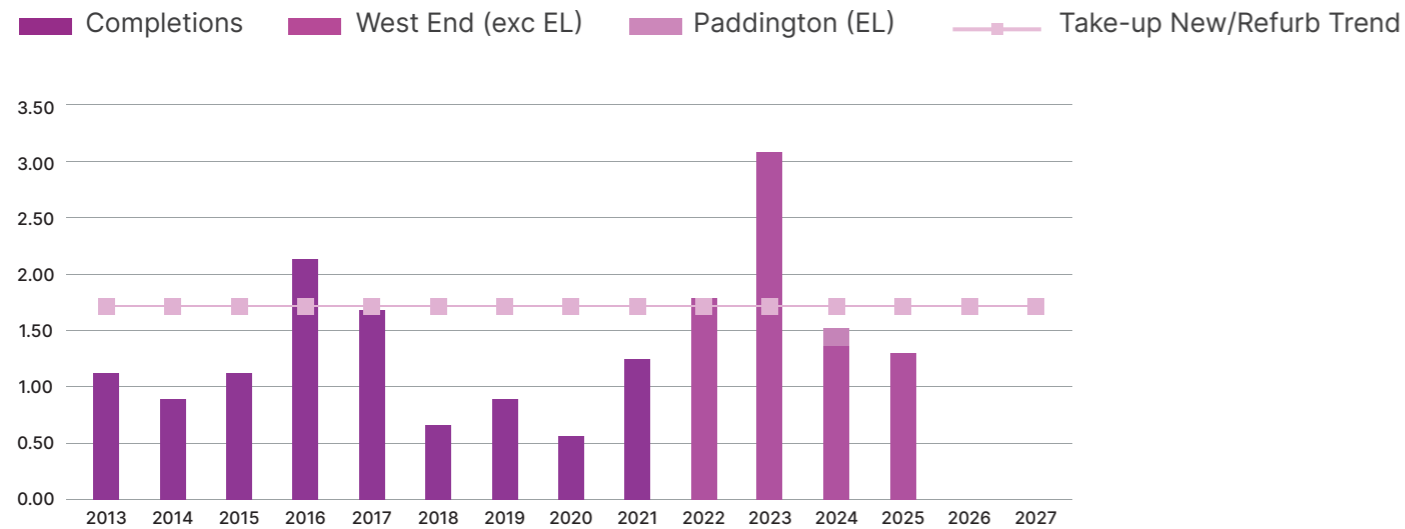
Only two available buildings in Paddington (EL).

Low expected completions

Future development activity is very low with only one 140,000 sq ft development scheme due to complete in 2024 at 3 Sheldon Square.

CHART 19:
Largest share of take-up in 100K+ buildings

Paddington (EL) - Development Completions m sq ft



Source: Knight Frank Research

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