# London Heritage Quarter Investment Strategy

Attracting the Sectors of the Future

April 2025





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# Foreword

London has long been one of the world's most dynamic and competitive cities, attracting businesses, investors, and talent from across the globe. Its strength lies not only in longstanding professional services offer but in its ability, to adapt, innovate, and lead in emerging sectors. As this Investment Strategy developed by Arup highlights, we are at a pivotal moment in shaping the future of one of the capital's most strategically significant districts.

The London Heritage Quarter is home to a rich mix of industries, from established global firms to fast-growing innovators. It benefits from world-class institutions, exceptional transport connections, and an unrivalled concentration of historic and cultural assets. These attributes provide a strong foundation for future investment and the area is well-positioned to attract the sectors of the future.

However, we must also be clear-eyed about the challenges ahead, and realistic when considering which growth sectors are appropriate for historic Central London. The economic landscape remains uncertain, with investors and occupiers becoming more selective in their decisions. The impact of changing work patterns, sustainability requirements, and intensifying global competition means that London cannot afford complacency. We must be proactive in ensuring that the right infrastructure, policies, and partnerships are in place to make London an attractive and competitive destination for investment.

This strategy outlines a clear, evidence-based approach to securing long-term success. It identifies key growth sectors, from professional services and green finance to technology and life sciences, while recognising the practical steps required to accommodate these industries—whether through upgraded infrastructure, high-quality commercial space, or a more vibrant and sustainable public realm. As we know so well as Business Improvement Districts, the power of partnership is key to success and this report highlights the need for collaboration between businesses, local authorities, and central government to unlock London Heritage Quarter's full potential.

Investment in London is investment in the UK. A thriving capital city drives productivity and economic opportunity across the country. London Heritage Quarter has a unique role to play in this, and this report provides a blueprint for how we can turn ambition into action.

I encourage all stakeholders—investors, policymakers, and business leaders—to engage with this strategy and work together to secure a prosperous, resilient, and future-facing London Heritage Quarter.



Ruth Duston, OBE, OC Chief Executive of London Heritage Quarter

# Introduction Purpose of this Report



In early 2024, Arup supported London Heritage Quarter to envision the district's future through the London Heritage Quarter 2040 Trends Report. Some of the changes include shifts in the occupancy mix from public to private sector tenants, and the emergence of specialised sectors that warrant attention from BIDs like London Heritage Quarter. Additionally, the report identified the need for systemic changes in transport, property, environment, and energy, all of which will require substantial investment.

As a step forward, Arup has been commissioned to develop an Investment Strategy for LHQ, aligned with the identified trends and growth sector requirements. It outlines actions needed to position LHQ as a premier investment destination for investors and sectors of the future.

#### **Research Methodology**

This report builds its findings on quantitative and qualitative information from:

- Document review: We reviewed industry reports and relevant news articles to understand sectors of interest, occupier requirements, and current investor sentiment.
- Stakeholder Interviews: Leveraging our collective network and expertise, we conducted one-on-one interviews with Arup thought leaders, LHQ board members, occupiers within LHQ, and expert stakeholders to gain insights into growth sectors, their requirements and qualities that inform investment attractiveness.
- Data Analysis: We analysed quantitative data from a wide range of sources, such as the Office of National Statistics' Business Register and Employment Survey (BRES) to understand how LHQ has evolved over time.

#### Structure

This report is structured in three main sections:

- The Investment Narrative for LHQ: This section explores central London's current investment position and how the LHQ leverages its competitive advantage to stand out.
- Sectoral Cases and their requirements: This section presents a selection of opportunity sectors for LHQ, as well as their current and future requirements for locating and growing in the area.
- Action Plan: The final section details actions for LHQ to lead on or advocate for, to continue attracting investment and growth sectors.

#### **VISION STATEMENT**

Transforming London Heritage Quarter into the leading destination for the sectors of the future, supporting economic and social prosperity within the local community and across central London.



#### **Investment Narrative**

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# A Leading Destination for Investment and Innovation

London is ranked 1<sup>st</sup> for overall city prospects in European real estate trends for both 2024 and 2025.<sup>1</sup> London remains a leading global investment hub. The city's investment appeal extends beyond traditional financial metrics – London offers a rich ecosystem of opportunity, defined by strong institutions, a vibrant cultural landscape and innovation potential. This ecosystem continues to attract global capital in the face of challenges.

#### **Financial Performance and Market Leadership**

The city is well-regarded as Europe's financial capital, ranking second globally after New York.<sup>2</sup> London has also continued to innovate and capture new growth sectors in this market, such as green finance and positioned itself at the forefront of green finance and fintech.

#### **Regulatory and Institutional Strength**

London's regulatory environment and market fundamentals set it apart on the global stage. These include regulatory transparency, rule of law, political stability, and strategic time zone alignment. They create a framework that provides institutional investors with confidence and security that is increasingly rare in the global environment.<sup>3</sup>

#### Human Capital and Innovative Potential

London's human capital ecosystem represents perhaps the most sophisticated competitive advantage of the London investment proposition. The city boasts a uniquely diverse and highly educated workforce, drawing talent from around the world. This concentration of capability creates a dynamic environment of continuous innovation.

#### **Holistic Investment Appeal**

Beyond the promise of financial return, Central London offers a holistic value proposition that integrates economic opportunity with exceptional quality of life. The city's world-renowned cultural institutions, extensive green spaces, wellconnected urban mobility system and cosmopolitan character are integral components of its attractiveness.



#### **Investment Narrative**

# London Heritage Quarter's Competitive Advantage

London Heritage Quarter stands out within Central London thanks to competitive advantages that make it a prime destination for investors, employers and visitors.

#### **Centre of Power**

London Heritage Quarter (LHQ) includes the Whitehall district, home to key central government institutions, making the wider area an attractive location for organisations requiring access to government. Despite recent relocations of civil service from Whitehall, the area remains a strategic hub for businesses and organisations linked to government functions.

#### **Exceptional Transport Infrastructure**

LHQ benefits from exceptional connectivity: two major mainline train stations are within the area — London Victoria Station and London Charing Cross, representing the 6<sup>th</sup> and 17<sup>th</sup> busiest stations in the city – and Victoria Coach Station.<sup>4</sup> This connectivity is reinforced by six tube stations connected to five London underground lines, and three ferry terminals. Projects such as Future Victoria, a masterplan for the area around Victoria Station, which aims to improve accessibility, and enhance the public realm and welcome experience. The project will also improve connectivity between the various transportation infrastructure and strengthen this advantage.

#### Home to Knowledge-intensive Sectors

LHQ is a historic home to sectors like professional, financial, and technology services, and has accumulated spaces and amenities over time to service these sectors. The wellestablished economic base now attracts premium rents. However, maintaining affordability for start-ups and smaller organisations will be crucial to sustaining a dynamic and diverse business ecosystem.

#### World-Class Educational Ecosystem

LHQ is home to a growing number of universities, including the London School of Economics (LSE) and King's College London (KCL). New institutions such as New York University's London campus enhance the district's educational landscape. This evolving academic presence fosters innovation and learning.

#### A Vibrant Community

There is strong and well-established residential community within LHQ, largely concentrated around the Pimlico area. The residential community brings a significant advantage to the area. Residents provide long-term demand and footfall that support the food and beverage, retail and cultural sectors. This advantage supports economic resilience – businesses are not entirely dependent on tourists and workers.

#### Living Heritage

No other part of London boasts such a high density of heritage assets. Iconic landmarks such as the Houses of Parliament, Big Ben, Somerset House, and Westminster Abbey sit alongside nearly 600 other listed heritage buildings, including St. Martinin-the-Fields, Savoy Chapel and the Royal Society of Arts. This rich architectural legacy provides a distinct competitive edge, appealing to occupiers and visitors seeking prestigious, historically significant spaces that reflect the global perception of London.

#### **Outstanding Natural Assets**

LHQ is bordered by three expansive parks to the north — St. James's Park, Green Park, and Hyde Park—all within walking distance. Other green spaces within the district such as Vincent Square, Victoria Tower Gardens, College Garden, and Victoria Embankment Gardens contribute to LHQ's appeal. Additionally, the River Thames, while somewhat underutilised on its North bank, offers significant untapped potential.

#### **Pioneering Area-Wide Decarbonisation**

Project SWAN (South Westminster Area Network) aims to deliver one of the UK's first low carbon heat network zones. Works started in summer 2024, following 5 years of government planning and significant engagement work by London Heritage Quarter. The £1bn network is projected to save 75,000 tonnes of  $CO_2$  every year, create 500 jobs, improve local air quality by reducing nitrogen oxides emissions by 99% and create 100 opportunities for UK businesses.<sup>5</sup>

#### **Investment Narrative**

# London Heritage Quarter's Challenges

While London Heritage Quarter boasts competitive advantages, it also is working to address some significant challenges.

#### An Identity Overshadowed by Transport Hubs

While transport connectivity is one of LHQ's greatest strengths, there is a perception that some pockets of the district lack compelling identity beyond being major transport hubs. Additionally, interviews suggest that improved connectivity across London (thanks for instance to the opening of the Elizabeth Line) are increasing LHQ's competition as a destination for commercial occupiers.

#### **Uneven Provision of Amenities**

Aside from new injections of mixed-use development around Victoria Station, such as NOVA, many pockets of LHQ are repeatedly described as lacking amenities and vibrancy, from food and beverage, retail, and "third spaces" such as co-working spaces and post-hours interaction spaces – an increasingly important requirement for occupiers.

#### Low Appeal to Micro and Small Enterprises

Although LHQ commanding premium commercial rents is an indication of demand, the district is at risk of becoming less attractive to smaller, more dynamic organisations. To illustrate, 84% of businesses in the City of Westminster are microbusinesses, compared to an inner London average of 88%. This is the second-lowest share in London, surpassed only by the City of London at 78%.<sup>6</sup> Maintaining a healthy start-up and SME ecosystem is vital for fostering a diverse business ecosystem and building up a base of businesses that will continue to grow within LHQ.

#### **Risk of Stranded Commercial Space**

LHQ's heritage and 'grade B' building stock offer a unique workspace experience, but they also limit the types of sectors and businesses that can occupy them. Modern occupiers are increasingly seeking highly efficient and practical buildings qualities that heritage assets may struggle to provide. Many of LHQ's buildings require significant retrofitting to meet anticipated Minimum Energy Efficiency Standard (MEES) regulations and to align with Westminster City Council's Retrofit First policy. Upgrading heritage assets to meet future needs is one of the districts biggest challenges, as these buildings may be listed and difficult to acquire planning permission.

#### **Underutilisation of Natural Assets**

While LHQ benefits from an abundance of natural assets, including green spaces and the River Thames, there is a shared perception that these are currently underutilised, and not seen as a main draw to the area by commercial occupiers. This is partly due to limited wayfinding, and a lack of public realm activations, such as events or pop-up markets, to raise awareness of these spaces.

#### Losing Ground with the Cultural and Creative Sector

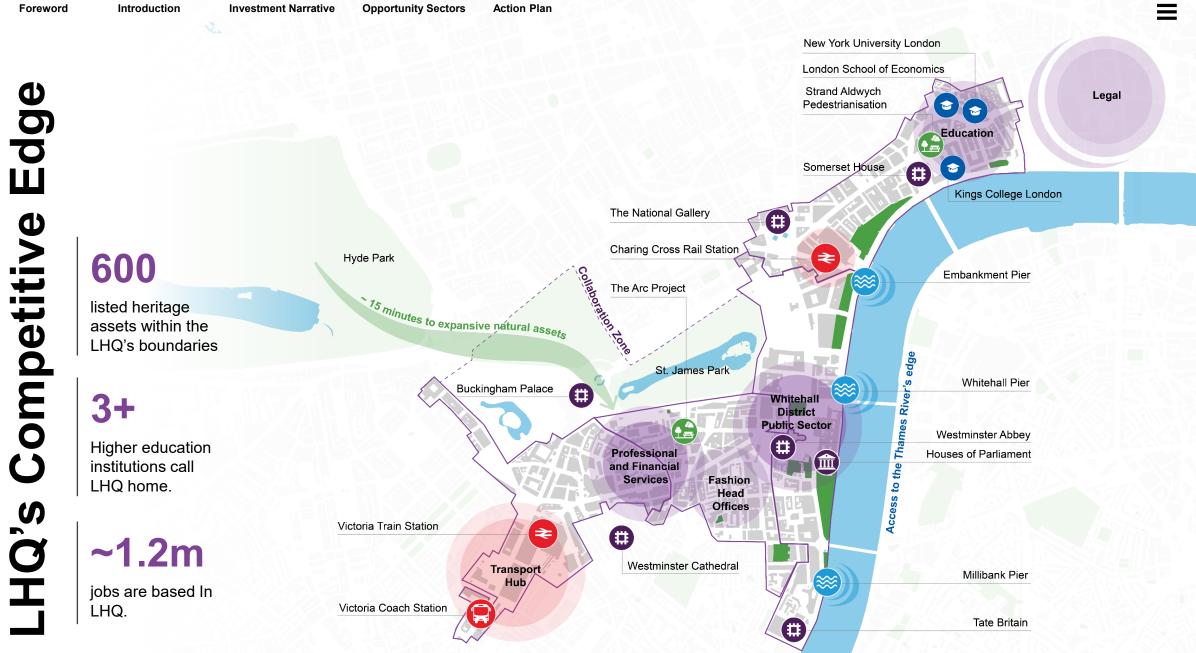
LHQ boasts a higher concentration of creative and cultural sectors compared to other parts of Central London, including creative arts, entertainment, libraries, archives, and museums. The sector continue to grow and employs over 14,500 jobs, although at a slower pace than other parts of Central Authority Zone (CAZ) <sup>7</sup> – LHQ is losing ground to other places in London. It is critical that LHQ pay special attention to this enabling sector, as it gives the district one of its most compelling and defining qualities.

#### Fragmented Property Ownership

A fragmented property ownership poses significant challenges to developing a coordinated upgrade of the public realm and tenant curation. Although there are pockets of consolidated ownership, owned by organisations such as Landsec and Grosvenor Estate many areas—particularly around Northbank—remain fragmented under different landowners.

#### **Anti-Social Behaviour**

In recent times, particularly in the Victoria area, there has been an increased perception of anti-social behaviour – including drug dealing, rowdiness, and trespassing – amongst residents and visitors.



#### Introducing the Sectoral Cases

# **Opportunity Sectors in London Heritage Quarter**



### Opportunity has many dimensions.

Large, highly specialised sectors define the competitiveness of an area. However, growth may also take the shape of emerging niche economic activities, as well as from attracting spillovers from neighbouring parts of central London.

To better frame these nuances, we define five sectoral cases. They represent categories of sectors that show similar growth trends or employment patterns. Each category requires a tailored approach to investment attraction.

**Opportunity Sectors** 

	Sectoral Cases	Descriptions	Opportunity Sectors
Priority	Flagship	These are large, highly specialised sectors that form the foundation of LHQ's economy	Public Sector Ecosystem
h Pri	Sectors	and are experiencing continued growth.	Head Offices
High	Broad Market	These sectors have a substantial presence in LHQ but currently do not represent a	Financial Services
	Sectors	recognised cluster.	Professional Services
	Emerging	These are fast-emerging sectors in LHQ. Their current presence may be small, but they are	Media
	Sectors	showing early signs of specialisation.	High-end Hospitality
	Adjacent	These sectors have a higher presence outside of LHQ but are nonetheless experiencing	Technology
ioritiy	Sectors	growth within the area.	Legal Services
Low Prioritiy	External	External Opportunity Sectors have a smaller	Life Sciences and Healthcare
Ľ	Sectors	presence in LHQ but are quickly growing elsewhere in central London.	

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Action Plan

# Sectoral Cases Flagship Sectors

## Public Sector Ecosystem

The public sector ecosystem includes the network of public organisations involved in delivering public services and state administration, such as the UK government civil service, as well as complementary sectors like media, think-tanks, trade bodies, and gov-tech organisations.

#### Sectoral Trends in LHQ

Despite efforts to decentralise the central government civil service through the Places for Growth Programme, Whitehall has maintained its position as the UK's seat of power.<sup>8</sup> Public-sector employment in LHQ has grown from 40,000 in 2015 to nearly 60,000 in 2022, remaining one of LHQ's largest employers. LHQ also draws complementary sectors. Membership organisations, particularly trade unions, show increasing specialisation within LHQ compared to London's Central Activity Zone.

#### The Opportunity

The concentration of power in LHQ creates a unique opportunity. Interviews revealed a strong consensus that an injection of complementary organisations has the potential to enrich the public sector ecosystem. The current administration's commitment to greater private sector collaboration is evidenced through initiatives such as the National Wealth Fund and £24billion of private investment in clean energy projects.<sup>9 10</sup> This demonstrates significant opportunities with organisations like gov-tech startups working with AI or data. With the UK government implementing an estate optimisation strategy in London <sup>11</sup> —returning surplus buildings to freeholders – released properties could provide space to host these complementary organisations or provide spaces that facilitate public-private interaction.

#### **Sectoral Requirements**

- Greater operational flexibility for the private sector —a "nimbleness to come and go" – through flexible workspaces for gov-tech start-ups or satellite offices for industry bodies or private sector companies.
- Physical networking spaces that respect appropriate security protocols. Public spaces where organisations can interact spontaneously, as well as modern, accessible venues for formal public-private gatherings.
- Proximity to relevant government agencies, more clearly articulated.

#### What are Flagship Sectors?

These are large, highly specialised sectors that form the foundation of LHQ's economy. They continue to grow and deepen their specialisation. LHQ already has a significant competitive advantage in these sectors.

### Head Offices

Head offices refer to the centralised locations where companies' management and key staff operate and oversee overall business activities.

#### Sectoral Trends in LHQ

LHQ has long been an attractive destination for corporate head offices. They are particularly drawn to Victoria and Victoria Westminster BIDs because of the availability of office spaces with large floorplates and proximity to mainline rail stations. From 2015 to 2022, this sector grew from just under 11,300 employees to over 14,600 and continues to attract more of these organisations than the wider CAZ. This trend is reflected in the growing presence of a fashion and beauty corporate office cluster off Victoria Street, including Mountain Warehouse, Jimmy Choo, Jaeger, and Tom Ford. Factors that attract these organisations to LHQ include proximity to prime shopping districts in Mayfair and Soho, as well as comparatively lower rents and larger space availability.

#### The Opportunity

London remains a cornerstone in the global corporate portfolio, as major businesses

continue to seek flagship locations that enhance their visibility in the capital. LHQ's established reputation for head offices positions it to benefit from this demand, albeit with conditions. The district is experiencing competition from other central transport hubs like Kings Cross, Paddington, and Farringdon, which have all recently undergone upgrades, enhancing their transport advantages. LHQ's competitive advantage lies in its heritage, which appeals to certain businesses. International companies, for example, are drawn to LHQ's stock of heritage buildings, valuing the character and historical architecture.

- Central location with excellent connectivity, particularly through major transport links such as mainline train services.
- Office spaces with the highest sustainability standards to meet internationally set targets and increasing employee expectations.
- High-quality fitted-out interior spaces that reflect the values and culture of the organisation.
- Locations that provide employees with opportunities for socialising, dining, and recreation beyond work hours.



# Sectoral Cases Broad Market Sectors

Introduction

## Professional Services

Professional services includes organisations with expertise in fields such as management consulting, architecture and engineering consulting.

#### Sectoral Trends in LHQ

LHQ is losing its competitive advantage on professional services despite the sector's strong growth nationally and within London's CAZ. For example, management consultancy job numbers in the district have grown by 3,000 since 2015 to over 23,000, but the district's relative specialisation of this sub-sector has declined when compared against CAZ. Technical services such as architectural and engineering activities tell a similar story of growth but decreasing specialisation, although the sub-sector has always had a small presence in the area, employing fewer than 7,000.

#### The Opportunity

The UK's professional services sector has a reputation for quality and innovation in a \$1.9 trillion global industry, giving firms a competitive advantage on the world stage.<sup>12</sup> Anticipated changes, such as the integration of AI to the sector and the UK government's

Modern Industrial Strategy 2035, which cites professional services as a growth-driving sector, could add more value. <sup>13</sup> With over 3 million sq ft of active demand from professional services firms in London, <sup>14</sup> LHQ should prioritise defending and maintaining its position as a hub for this high-value sector.

#### **Sectoral Requirements**

- Office spaces with the highest sustainability standards to meet internationally set targets and increasing employee expectations.
- High quality public realm, which plays a role in attracting workers back to the office and retaining them.
- Central location with excellent connectivity, particularly through major transport links such as mainline train services.
- Locations that provide employees with opportunities for socialising, dining, and recreation beyond work hours through amenities.

#### What are Broad Market Sectors?

These opportunity sectors currently have substantial presence in LHQ but lack distinct specialisation. While they are significant in size, they may require strategic interventions to differentiate them.

### Financial Services

The financial services sector encompasses a wide range of businesses including banks, investment firms, and insurance companies.

#### Sectoral Trends in LHQ

A number of financial service sub-sectors are on the rise in LHQ. Accounting, auditing, and tax consultancy, as well as other auxiliary activities have become more clustered in LHQ compared to wider central London. Conversely, fund management, trusts and general financial services, have not kept up with the growth experienced across CAZ, particularly in the traditional clusters of Canary Wharf and the City.

#### The Opportunity

The financial sector has been recognised as a growth-driving sector in the UK government's Modern Industrial Strategy 2035.<sup>15</sup> The sector is also the most productive in the UK with a Gross Value Added of over £100million in London alone.<sup>16</sup>

London stands as Europe's undisputed financial capital and leads on new frontiers within the sector, particularly green finance.

This global status is reflected in robust

demand for office space. Within financial services alone, active demand exceeds 4 million sq ft, driven by both large-scale banks reconfiguring portfolios and the growth of smaller, niche FinTech firms.<sup>17</sup>

The anticipated move of asset manager Evercore to 105 Victoria Street in 2026 demonstrates the appeal of the area to firms operating in this sector. <sup>18</sup>

- Central location with excellent connectivity, particularly through major transport links such as mainline train services.
- Secure office spaces to ensure compliance with industry regulations and protect sensitive client data.
- High quality public realm, which plays a role in attracting workers back to the office and retaining them.
- Locations that provide employees with opportunities for socialising, dining, and recreation beyond work hours.

# Sectoral Cases Emerging Sectors

# High-end Hospitality

The hospitality sector includes businesses that provide accommodation for visitors.

#### Sectoral Trends in LHQ

There is renaissance of office-to-hospitality conversion applications in Westminster, with varying success. This trend is driven by the desire to offer unique experiences in iconic landmark buildings, as well as an attempt to retain the value of potentially non-viable commercial assets. Examples include The OWO Raffles Hotel, converted from the historic Old War Office building in Whitehall. However, this trend raises concerns about the loss of office floor space in Westminster, the impact of lower-end hospitality on residential communities and the perception of anti-social behaviour, as exemplified by the rejected application to convert Globe House on Bridge Place into a hotel.

#### The Opportunity

London, as a major global tourist destination, draws millions of visitors each year, drawn by rich cultural heritage, a mature hospitality sector and excellent visitor experience. As a result, the city was ranked as the most attractive European city for hotel investment in 2024, with three-quarters of hospitality leaders expressing optimism about the UK hotel market's long-term prospects.<sup>19</sup>

LHQ's advantages align with the hospitality sector's requirements, which often seek to capitalise on locational history and heritage. In LHQ, while there is concern about the loss of commercial space and the possibility of exacerbating anti-social behaviour, there is also a threat of some buildings becoming obsolete. This report argues for wellconsidered, higher-end hospitality in specific cases as a solution to this threat.

#### **Sectoral Requirements**

- Locations with a strong cultural and heritage identity offers a unique branding opportunity for hotels.
- High quality public realm, which plays a role in attracting tourists and guests to the wider environment.
- Central location with excellent connectivity through a diversity of transport modes, particularly to major landmarks and tourist sites.
- For retrofitted buildings, flexible floorplates that allow conversion of office spaces into hotels.
- Locations that provide guests with opportunities for socialising, dining, and recreation through amenities.

#### What are Emerging Sectors?

These growth sectors are fast-emerging within LHQ. Though their current presence may be relatively small, they are growing rapidly and showing early signs of specialisation.

### Media

The media sector, closely associated with the creative and cultural sector, includes organisations that create, produce, and distribute content through various channels such as television, radio, print, and digital platforms. This sector includes broadcasting, publishing, film production and music.

#### Sectoral Trends in LHQ

The media sector has established a stronger presence in LHQ, adding 3,000 jobs between 2015 and 2022, without yet becoming a distinctive cluster within the district. Growth was particularly pronounced for specific sub-sectors such as radio broadcasting and motion picture production. Conversely, television-related jobs have declined in LHQ over the same period, as opposed to the growth recorded across CAZ. This trend is exemplified through the departure of Channel 4 from its historic building on Horseferry Road.<sup>20</sup>

#### The Opportunity

London is at the heart of a media sector boom. Between 2017 and 2022, the UK capital attracted £745 million in venture capital (VC) funding for streaming and content production companies.<sup>21</sup> This growth has also driven increased demand for space, particularly in media production, distribution, and broadcasting, fuelled by the proliferation of new digital production and distribution channels.<sup>22</sup>

- Breakout work areas for creative and collaborative work, with whiteboards and digital displays for brainstorming.
- High-quality fitted out interior spaces that reflect the values and culture of the organisation.
- Locations with a strong brand-aligned identity that reflects culture, vibrancy and innovation.
- Provision of specialist craft services such as editing rooms, soundproof podcast studios, media storage facilities, screening and recording.

# Sectoral Cases Adjacent Sectors

# Technology

The technology sector includes businesses that are involved in the development, production, distribution of technology-related goods and services, including software, hardware, electronics, and IT services.

#### Sectoral Trends in LHQ

Technology-related sub-sectors have grown significantly in LHQ, from over 5,500 headcount in 2015 to just under 9,500 in 2022. However, this growth has not kept pace with other parts of London's CAZ.

#### The Opportunity

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The technology sector, particularly in London, has been identified as an important sector for economic growth within the UK. Sub-sectors like artificial intelligence (AI), deep tech and clean technology lead this charge.

London hosts at least 2,000 artificial intelligence companies employing over 70,000 people <sup>23</sup> – the subsector is expected to play a transformative role across industries like drug discovery and manufacturing. The city also has more than 1,000 deep tech firms. They appear to be primarily clustering in Westminster, <sup>24</sup> driven by proximity to University College London

(UCL) and Imperial College London.

Similarly, clean energy is emerging as a priority under the UK government's Industrial Strategy to 2035.<sup>25</sup> With £50-60 billion in annual capital investment required to meet net-zero targets, the sub-sector offers substantial growth potential.

For LHQ, the technology sector presents a compelling opportunity. The sector is characterised by increased private investment. Capturing a greater share of this sector could enhance LHQ's economic resilience and establish it as a key player in London's broader tech ecosystem.

#### Sectoral Requirements

- Proximity to leading universities and other innovation-enabling institutions.
- Breakout work areas for creative and collaborative work, with whiteboards and digital displays for brainstorming.
- High-quality fitted out interior spaces that reflect the values and culture of the organisation.
- Locations that provide employees with opportunities for socialising, dining, and recreation beyond work hours.

#### What are Adjacent Sectors?

These growth sectors have a higher presence outside of LHQ but are still experiencing growth within the district. They present an opportunity to attract more activity through spill-over effects from other areas.

### Legal

The legal sector, as a subsector of professional services, includes firms and individuals providing legal advice and representation, including activities such as litigation, corporate law, intellectual property, and regulatory compliance.

#### Sectoral Trends in LHQ

The legal sector is one of the largest in CAZ, with a job count of over 100,000. However, only a small share of those jobs are based in LHQ - just over 3,000. This is primarily due to the sector's clustering around the adjacent Midtown area, particularly on Fleet Street and Chancery Lane, driven by the presence of legal institutions like the Royal Court of Justice. Despite this, this sector has grown in LHQ by 37.22% between 2015 and 2022.

#### The Opportunity

London is a global legal powerhouse, attracting global firms that are eager to establish a foothold in one of the world's premier financial and legal centres. Notably, the number of US lawyers in London has expanded from nearly 85 to 7,000 in the past two decades.<sup>26</sup>

The legal sector has driven a significant rise

in demand for prime commercial space, accounting for around 20% of the market.<sup>27</sup> Like other high GVA-producing sectors, a legal sector presence contributes significantly to economic performance of an area, particularly through high-spend in servicing sectors.

Yet, LHQ could look to nurture its own growth in this sector by capturing overspill from the historical cluster of Midtown particularly as the opening of the TfL Elizabeth Line brings sectoral anchors closer to LHQ.

- Proximity to relevant legal institutions and other professional and financial service clusters.
- High quality public realm, which plays a role in attracting workers back to the office and retaining them.
- Locations that provide employees with opportunities for socialising, dining, and recreation beyond work hours.
- Central location with excellent connectivity, particularly through major transport links such as mainline train services.

# Sectoral Cases External Opportunity Sectors

# Elife Sciences and Healthcare

Introduction

The life sciences sector encompasses a range of industries focused on improving the health and well-being of living organisms. This includes research, development, biotechnology products, medical devices, and biomedical technologies.

The healthcare sector, on the other hand, focuses on delivering medical services, products, and support to improve and maintain people's health. This encompasses a wide array of organisations, professionals, and institutions involved in preventive, diagnostic, therapeutic, rehabilitative, and palliative care.

#### Sectoral Trends in LHQ

LO ARUP

Currently, the LHQ district has little to no presence of life sciences organisations. Agencies historically based in the district, such as National Institute for Health Research and UK Bio-Industry Association, have relocated to other parts of London, leaving the area disconnected from this high-potential sector. Similarly, the healthcare and health-tech sectors have a limited presence within the district. For instance, while hospital-related jobs account for over 52,620 positions across the CAZ, only 1,570 of these jobs are situated in LHQ.

#### The Opportunity

The London Growth Plan refers to frontier innovation sectors, which include life sciences, as the "next superpower".<sup>28</sup> This is driven by the city's world-renowned academic institutions - the city is home to five medical schools, three dental schools and institutions including the London School of Hygiene and Tropical Medicine and The Institute of Cancer Research.

The life sciences sector emerged as a highgrowth investment opportunity during the pandemic in 2021, becoming a priority for institutional investors. However, it has since seen cooling investor sentiment, dropping from 2nd in the ULI's 2022 sector prospects ranking to 16th in 2025.<sup>29</sup>

Despite this, the sector remains significant due to its innovation-driven potential and its inclusion in the UK's Modern Industrial Strategy for 2035 and the London Growth Plan.<sup>30 31</sup> London continues to play a leading role, with demand for life sciences facilities exceeding 750,000 sq ft as of May 2024.<sup>32</sup>

London's growing digital health ecosystem is also supported by dedicated programmes and collaborative networks at top institutions. Currently, nearly 30% of all UK digital health companies are based in London, with the

#### What are External Opportunity Sectors?

These sectors have minimal presence in LHQ but are growing quickly in other regions. They represent an opportunity to capture external growth and emerging trends by creating an attractive environment for these sectors to establish themselves within the district.

sector experiencing 167% growth in turnover since 2012 and an average annual growth rate of 14.5%.<sup>33</sup>

Providing appropriate spaces for life sciences and health-tech within LHQ's heritage buildings presents significant challenges due to the extensive retrofitting required and the associated costs. Competing with areas like King's Cross and the Knowledge Quarter, as well as Southwark around Guy's and St Thomas' Hospitals—where major investments have been made in purpose-built lab-enabled commercial spaces—requires strategic efforts.

However, there are promising examples of repurposed heritage buildings successfully converted into lab spaces, such as Victoria House in Bloomsbury.<sup>34</sup> These models highlight potential opportunities for LHQ to attract similar investments. Additionally, there is an emerging push to foster a healthcare ecosystem towards the western part of LHQ, anchored by the Belgravia-based Cleveland Clinic Hospital.

#### **Sectoral Requirements**

- Proximity to leading education and research institutions.
- Access to highly-skilled local talent.
- Tailored high-specification facilities, including wet labs, collaborative spaces, and high-tech infrastructure.

#### **Sectoral Cases**

# **Beyond Sectors: How other factors impact occupier requirements**

This strategy has identified cross-cutting factors beyond sector-specific requirements that influence occupier decisions.

Safety, cleanliness and absence of anti-social behaviour are foundational requirements for all organisations, investors and occupiers, regardless of size.

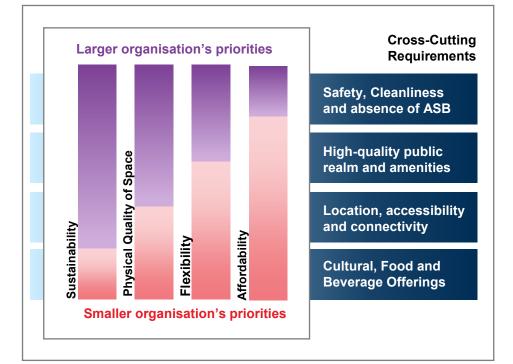
Flight to quality, as highlighted in our <u>The Future of</u> <u>London Heritage Quarter</u> report, is a trend where occupiers across various sectors and sizes are seeking high-quality commercial spaces. This includes a growing demand for high-quality public realm, food and beverage options, cultural offerings and amenities beyond the office environment. Of course, this trend intersects with other factors such as cost and availability, but the general sense is that occupiers of all sizes and sectors are expecting more of commercial space.

**Location, accessibility and connectivity** remain crucial for talent attraction and retention across all London for all types of organisation. However, improved connectivity across London has redefined locational competitive advantage, leading to city-wide searches and blurring historic sectoral clusters.

**Organisational size impact** – In many ways, the size of an organisation significantly influences its priorities and requirements.

- Larger organisations, especially those with global presence, are more likely to prioritise high-quality, sustainable premises. These firms seek platinum-standard, green-certified office spaces to comply with Environmental, Social, and Governance (ESG) criteria and Corporate Social Responsibility (CSR) targets. Regulatory pressures, such as the upcoming Minimum Energy Efficiency Standards (MEES) for 2027, further drive this priority. Larger organisations will also seek exceptional spaces that reflect their culture and brand identity.
- Smaller organisations are more likely to prioritise cost-effectiveness and flexible leases.
   While sustainability is considered, it is not driven by ESG requirements (unless the organisation is in a green sector), but by operational practicality.

Westminster has the second lowest share of microenterprises (nine employees and below) amongst Inner London Boroughs, driven in part by rent premiums. This trend is not reflective of a structural imbalance within LHQ, as it is expected in city centre locations. However, it is important to consider how LHQ can remain attractive to smaller organisations. One compelling argument is capturing smaller organisations contributes to securing LHQ's pipeline of future larger occupiers as they grow.



## $\blacksquare$

### Sectoral Cases: Summary

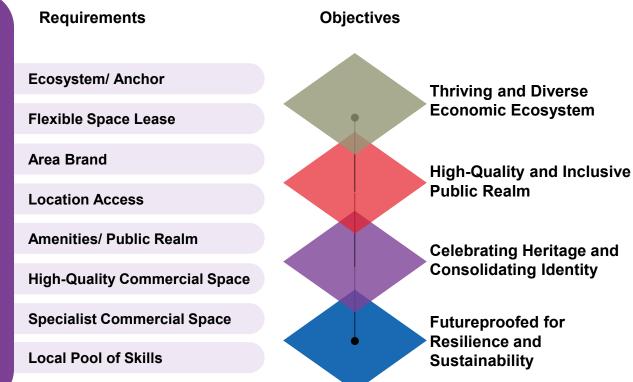
	Sectoral Cases	Descriptions	Opportunity Sectors	Requirements	Ecosystem /Anchor	Flexible Space / Lease	Area Brand	Location/ Access	Amenities/ Public Realm	High-Quality Commercial Space	Specialist Commercial Space	Local Pool of Skills	
Priority	Flagship       These are large, highly specialised sectors         that form the foundation of LHQ's economy	Public Sector Ecosystem										$\supset$	
h Pri	Sectors	and are experiencing continued growth.	Head Offices										
High	Broad Market	These sectors have a substantial presence in LHQ but currently do not represent a	Financial Services										$\supset$
	Sectors recognised cluster.	Professional Services											
	Emerging	These are fast-emerging sectors in LHQ. Their current presence may be small, but they are	Media										
	Sectors	Sectors showing early signs of specialisation.	High-end Hospitality										
	Adjacent Sectors These sectors have a higher presence outside of LHQ but are nonetheless experiencing growth within the area.	Technology										$\supset$	
ioritiy			Legal Services										
	External Opportunity Sectors have a smaller presence in LHQ but are quickly growing	Life Sciences and Healthcare											
Ľ	<b>9</b> Opportunity Sectors	elsewhere in central London.											

#### Investment Strategy Framework

#### Vision

Transforming London Heritage Quarter into the leading destination for the sectors of the future, supporting economic and social prosperity within the local community and across central London.





# Action Plan **Objectives**

#### Thriving and Diverse Economic Ecosystem

LHQ hosts a dynamic and diverse ecosystem of sectors by offering varied and strategically designed spaces. LHQ attracts educational and innovation-focused institutions that nurture local skills and strengthen LHQ's talent pipeline.

#### Celebrating Heritage and Consolidating Identity

LHQ consolidates the overall heritage brand, while fostering distinct local identities. This strengthened identity positions LHQ as a key player within London's CAZ and on the global stage.



# High-Quality and Inclusive Public Realm

LHQ has a high-quality, vibrant and safe public realm that attracts and retains diverse occupiers and users. This public realm is designed to strike the right balance between the local needs of residents and workers, and tourists.

### Futureproofed for Resilience and Sustainability

LHQ is futureproofed for resilience and sustainability to ensure long-term viability by addressing environmental regulatory and technological changes.

#### **Action Plan**

# **1. Thriving and Diverse Economic Ecosystem**

# Do

- 1. Continue to monitor the impacts of flexible working and the return to the office, as well as the number and quality of commercial properties that are left vacant long-term.
- 2. Organise a series of roundtable discussions or surveys with local businesses, property owners and sector representatives to establish relationships and understand the specific needs of emerging sectors. This research can be used to inform the development of future office spaces and amenities to cater to these industries.
- 3. Engage with international real estate investors and developers with specialised sectoral portfolios to assess the area's potential to host opportunity sectors and promote the current assets as an attractive destination.
- 4. Engage with professional associations of relevant clusters in the areas adjacent to LHQ (e.g. Bar association) to understand the current appeal of the area as well as promoting LHQ as a "second home" to them.



- 1. Work in partnership with local university estates (such as LSE, King's College, NYU) to better understand their space needs and growth plans. Explore mechanisms to connect them with LHQ landlords to assess their potential to expand within the area.
- 2. In collaboration with flexible workspace providers, explore opportunities to increase the provision of co-working and hybrid work arrangements to increase the attractiveness of the area to SMEs and delocalised offices.
- 3. Expanding on the venue catalogue available on the LHQ website, continue working with local cafes, libraries, galleries, museums and co-working spaces, to incorporate informal meeting spaces for start-ups, freelancers and creative industries to use for networking, events and meetings.
- 4. Collaborate with property owners and estate agents to identify vacant or underutilised spaces for short-term leases or pop-up uses. Encourage estate agents to promote these spaces to start ups or incubators to support innovation for these sectors within LHQ.

Foreword

Introduction Investment Narrative



# Case Study

# How Paris's La Défense is Building on Proximity Advantage

**Overview:** La Défense is one of the major business districts in Europe. Home to 562,000 residents and 470,000 jobs. Home to global headquarters and startups, it also hosts major shopping and retail outlets, the biggest European indoor stadium and concert hall and over 42,000 students.

#### **Custodian Organisation:** Paris La Défense

#### Sectoral Make-up:

- IT/ Audit and Consulting
- · Banking/Insurance/Fintech
- Energy/Engineering
- Health-tech

La Défense is considered the world's largest purpose-built business district. But like other urban commercial districts, its offices have emptied out during the pandemic and business has faltered. Its vacancy rate, which has reached more than 15% compared to less than 10% before the pandemic, is much higher than in central Paris, where the vacancy rate stands at around 2%, according to real estate agents.<sup>35</sup> To address this, La Défense is undergoing a green transformation. This includes renovating 300,000 m<sup>2</sup> of office space to make it more flexible and eco-friendlier, alongside creating a 5-hectare urban park. The focus is on sustainability, with a strategy to attract businesses by improving environmental standards and converting some areas into mixed-use spaces, such as university campuses, housing, and public facilities.<sup>36</sup>

La Défense is actively improving transport and accessibility to better serve its workforce and visitors. To address these, the district has implemented an ambitious 2023-2027 cycling plan, including bike lanes and facilities designed to support 50,000 cyclists daily by 2040. Additionally, the Grand Paris Express project, including the RER E line and a new Line 15 West station, aims to improve regional connectivity.

The district is also transforming the Coeur Transport hub with a €130 million investment in underground infrastructure, adding electric vehicle charging stations, and enhancing pedestrian access with renovated walkways and improved connections to surrounding areas.

La Défense is evolving from its traditional role as a largely monofunctional business district, primarily catering to office space and lacking residential, retail, and leisure components. Efforts are underway to enhance residential, retail and leisure offerings to help foster a stronger connection between workers and the surrounding community.

In response, Paris La Défense is actively supporting the development of new areas like Les Groues, which will include mixed-use spaces with housing, retail, and cultural facilities to create a more balanced urban environment. Furthermore, the district is improving connectivity to surrounding areas by extending bike paths and upgrading public transport links to better integrate with nearby communities.<sup>37</sup>

#### **Action Plan**

# 2. High-Quality and Inclusive Public Realm

# Do Do

- Continue to implement a forward-looking public realm strategy including the place-based riverfront strategy. In collaboration with Westminster City Council (WCC) and GLA, develop a character map that explores the opportunity to enhance and celebrate the different features of the district.
- Establish a stakeholder working group with landlords, local businesses and occupiers, WCC to identify key areas for public space revitalisation and establish distinct identities for different areas within LHQ to help create a sense of place.
- **3.** Explore the creation of an occupier and Property Owner Business Improvement District, to ensure a financially viable transformation of the public realm and a longer-term stewardship of place.
- 4. Develop a data insights programme engaging with providers of footfall and spend data, analysing how patterns change over time and respond to new interventions and initiatives in the public realm
- 5. Continue monitoring the different visitor segments to LHQ, collecting data on their perception of the area, reasons for visiting, and needs.

- 6. Organise a ground floor space working group between local retailers, office occupiers, and commercial property owners to explore opportunities for ground-floor retail spaces that serve the diverse needs of workers and tourists. Potential topics and solutions could focus on services, such as cafés, gyms, and retail, to enhance the appeal of the area and attract footfall, while creating spaces that are also functional for those working in the area.
- 7. Similar to the venue catalogue available on the LHQ website, explore working with occupiers, property owners and real estate agents to map existing amenities in the area, including gyms, cafes, and other services. Use the catalogue to identify potential gaps and support a targeted provision of services.
- 8. Conduct a survey to gather insights on the current perception of safety, both for visitors and residents in the area.
- Explore introducing regular flagship activation initiatives within LHQ's public spaces, to improve the visibility of LHQ's natural assets, as well as contribute to the identity of the district.



- In collaboration with property owners, WCC and TfL, explore sustainable business models for public realm activation.
- 2. In collaboration with WCC and local businesses, develop a pavement management strategy and promote decluttering. This includes advocating for the ban of Aboards, the removal of redundant signs (with TfL) and phone kiosks. Work with WCC and occupiers to reduce the impact of commercial waste on the street through aligning collection times and introducing waste consolidation centres.
- **3.** Leverage the transformation of Victoria rail station to improve public realm and legibility beyond the immediate surroundings and connecting with local landmarks and main tourist trails.
- 4. Continue to collaborate with WCC, GLA and TfL, and landowners to implement walking and cycling infrastructure across LHQ. Advocate for affordable and flexible public transport as a way of attracting workers back to LHQ.
- 5. Engage with the Met Police, landlords, residents and businesses to understand implement measures to address anti-social behaviour, especially in areas which have been identified by residents and visitors and have a stronger evening and night-time economy.

Foreword Introduction Investment Narrative Opportunity Sectors Action Plan



LO ARUP

# Case Study How Midtown Manhattan Nurtures Emerging Opportunities

**Overview:** Midtown Manhattan is one of the most dynamic and iconic areas in New York City, known for its towering skyscrapers, bustling streets, and significant cultural landmarks.

#### Custodian Organisation Midtown BID Coalition

#### Sectoral Make-Up:

- Corporate Offices
- Retail
- Hospitality
- Cultural Institutions
- Entertainment

Midtown Manhattan is one of the most dynamic and iconic areas in New York City, known for its towering skyscrapers, bustling streets, and significant cultural landmarks. While established sectors continue to play a vital role in the district's economy, a new opportunity lies in the rapid growth of emerging opportunities in sustainability and public realm innovation. Unlocking the full potential of these emerging opportunities involves embracing strategic interventions and solutions to build an environment where growth and success can thrive.

Midtown Manhattan is actively enhancing safety and cleanliness, fostering a more welcoming and positive experience for residents and visitors alike. The Midtown BID Coalition, in collaboration with the recently established Midtown Community Improvement Coalition, has implemented a range of measures to enhance sanitation and public safety. Initiatives include increased street cleaning, deployment of safety ambassadors, and strengthened partnerships with local law enforcement. <sup>38</sup>

The rise of e-commerce and evolving consumer behaviours present exciting opportunities for Midtown to reimagine its spaces and adapt to new trends. The coalition responded by launching initiatives to attract pedestrians back to the area, such as outdoor markets, street festivals, and public art installations. These events not only revitalised interest in Midtown but also supported local businesses and encouraged community engagement.

Many of Midtown's buildings, particularly older structures, face challenges related to energy efficiency and sustainability. The need for building retrofit to meet modern environmental standards has become increasingly urgent, especially in light of New York City's ambitious climate goals.

The Midtown BID Coalition has supported initiatives focused on improving energy efficiency and sustainability through building retrofits. This includes advocating for green building practices, encouraging property owners to invest in energy-efficient systems, and collaborating with local organisations to promote renewable energy solutions. These efforts aim to reduce the carbon footprint of the area while enhancing the appeal of Midtown as a modern, environmentally responsible urban centre.

#### **Action Plan**

# 3. Celebrating Heritage and Consolidating Identity

# Do

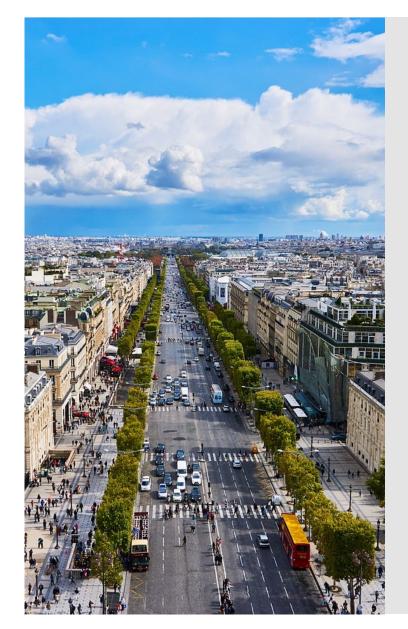
- Identify best-in-class examples of adaptive reuse of heritage buildings in LHQ and promote knowledge sharing between the wider community of occupiers, landlords and built environment experts through organising one-day conferences and field trips. Expand outreach and connect with business and landlord associations in international heritage districts.
- Develop a long-term public arts and cultural vision. Collaborate with WCC to develop an LHQ public art strategy, reflecting local heritage. Invest in public art by installing permanent or rotating art installations that reflect LHQ's identity.



- Promote "LHQ Discovery" walking tours, themed on each of the distinct identities of the quarter. Connect with the existing circuits of London walking tours to amplify the catchment. Propose the activity to occupiers "discover your neighbourhood" lunchtime activity for employees, and across main hotels in the area.
- 2. Keep working with landlords and the largest occupiers on a lobby activation programme, hosting events and temporary exhibitions, which could explore the relationships between arts and the building occupier's sector (i.e. fashion).
- **3.** Engage with developers and asset owners to identify how current and planned refurbishments enrich LHQ's offer of unique venues and enhance the fruition of the local landmarks (i.e. accessible panoramic rooftops).
- 4. Encourage property owners to conduct a heritage asset survey and mapping initiative to identify and document lesser-known heritage assets within the district, such as the Savoy Chapel, to increase awareness and highlight their cultural value.

Foreword Introduction Investment Narrative Opportunity Sectors Action Plan





# Case Study How Champs-Élysées is attracting a wider audience

#### **Overview:**

The Champs-Élysées, located in central Paris, is widely regarded as one of the most prestigious avenues in the world, often referred to as "The World's Most Beautiful Avenue." Spanning 1.9 kilometres, the avenue has cemented its status as a key economic and cultural hub, home to global luxury brands, renowned restaurants and theatres.

Custodian Organisation Comité Champs-Élysées

#### Sectoral Make-Up:

- Retail and Luxury Goods
- Hospitality and Fine Dining
- Cultural and Entertainment Venues
- Tourism and Major Events
- Corporate Offices

While Champs-Élysées is renowned for its high-end retail and cultural offerings, the avenue is embracing exciting opportunities to evolve further by diversifying its attractions and appeal to a wider audience.

The rise of global chain stores on the

Champs-Élysées has led to some changes in the character of this iconic avenue, which was traditionally known for its unique Parisian charm. The Comité Champs-Élysées worked to attract luxury brands and businesses that aligned with the avenue's heritage. By encouraging a focus on high-end, culturally significant enterprises, they helped restore the avenue's unique identity as a luxury and cultural hub.<sup>39</sup>

The increasing presence of international retailers and a growing focus on tourism have opened up new opportunities to attract a global audience. However, efforts are being made to also appeal to Parisians, with initiatives aimed at revitalising the avenue's local engagement. To reconnect with locals, the Comité promoted cultural events, pop-up exhibitions, and public art installations, creating experiences that appeal to residents and foster local engagement alongside tourist activity.

Retailers on the Champs-Élysées have embraced new opportunities to adapt to the changing retail landscape and shifting consumer behaviours. As shopping habits move online, many flagship stores on the Champs-Élysées began offering in-store experiences that cannot be replicated online, turning physical retail into an experiential and immersive offering.

While heavy traffic and pollution pose challenges to the Champs-Élysées, efforts are now underway to transform the avenue into a more pedestrianfriendly and environmentally conscious space. The Comité supported largescale initiatives such as the "Reenchanting the Champs-Élysées" project. This includes efforts to reduce car traffic, improve public transport, and enhance green spaces. Simultaneously, building retrofits were prioritised to increase energy efficiency, reduce carbon emissions, and integrate renewable energy solutions where feasible. By improving insulation, upgrading energy systems, and pursuing green certifications, the avenue is transitioning towards a more sustainable future while preserving its architectural heritage.

#### **Action Plan**

# 4. Futureproofed for Resilience and Sustainability

# Do Do

- Continue to share knowledge on retrofit best practices through a regular newsletter with case studies, costsaving tips, and funding opportunities to help inform tenants and landlords.
- 2. Launch an awareness campaign promoting "retrofit-first" principles through case studies, infographics, and videos that highlight the benefits of retrofitting, such as cost savings and sustainability. Engage stakeholders via social media, local events, and webinars featuring experts to inspire and guide action.



- 1. Organise a series of workshops and forums with property owners, developers, sustainability consultants, and industry experts to discuss emerging environmental regulations, financial incentives and grants, and long-term sustainability strategies to support property owners to prepare for future environmental regulations and standards.
- Work with project SWAN delivery partners to address concerns about the delivery and potential disruption caused by sustainability initiatives. Advocate for collaborative street-works infrastructure improvements across LHQ to minimise repeated disruption to residents and occupiers.
- 3. Engage property developers, tenants, and policymakers via webinars and workshops to advocate for adaptive reuse as a sustainable solution. Promote the refurbishment of office buildings, like 30 High Holborn, through case studies, site tours, and targeted marketing to highlight the benefits of conversion over demolition.

4. Encourage property owners to conduct an audit across buildings in the area to assess energy efficiency, environmental impact and ability to meet future regulations to help better provide actionable recommendations and work with landlords and property owners to support the retrofitting of buildings.



LO ARUP

# Case Study How Downtown Manhattan taps into external opportunities

**Overview:** Downtown Manhattan refers to Lower Manhattan south of Murray Street, from City Hall to the Battery, and from the East River to West Street. The area covers approximately 1.5 square miles of Lower Manhattan.

Custodian Organisation Downtown Alliance

#### Sectoral Make-Up:

- Professional services
- Technology, advertising and media
- Healthcare
- Retail, hospitality and entertainment

Downtown Manhattan has transformed from a historic commercial hub into a vibrant, mixed-use neighbourhood, enhancing its appeal through strategic economic development, improved quality of life, and diversified amenities.

Once a predominantly business hub, the Downtown Manhattan area experienced an after-hours effect, where workers would leave the area in the evening – limiting the district's appeal as a balanced, 24/7 community. Since 2001, the BID has promoted the conversion of office spaces through the Lower Manhattan Conversion Programme to residential spaces. This has led to over 33,000 new housing units. This initiative has transformed the area into a more attractive place for residents and has increased the demand for local businesses like cafes, shops and services.

Downtown Manhattan's reliance on the financial sector also left it vulnerable during crises like the 2008 financial crash. To counteract this, Downtown Manhattan made significant investments in infrastructure, transport, and public spaces. The Water Street corridor was a key focus for this transformation. The Alliance worked with city agencies to implement significant changes, including interim pedestrian plazas, path extensions, and a 2016 zoning text amendment. The amendment allowed for active retail uses, public seating, and infill development within arcades and plazas, making the area more appealing to businesses and visitors.

Additionally, revitalisation projects

extended to historic areas like the Wall Street and Broad Street intersection and Greenwich South, where incremental changes, such as the completion of Elizabeth H. Berger Plaza, fostered a sense of community and accessibility.

Downtown Manhattan has been actively working to diversify its economy and appeal by adapting popular initiatives that are happening in surrounding areas like Midtown and tailoring them to the specific context of Downtown Manhattan.

The lack of accessible public spaces and limited recreational options reduced the overall appeal of the area for resident and visitors. Without these spaces, the district had few options for dining, entertainment or leisure. To help tackle this, the Lower Manhattan Development Corporation and partner agencies opened waterfront spaces, connecting the East River to the Battery Maritime Building, and subsidising projects like Hudson River Park to create vibrant public areas.

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## Ξ

# Appendix Approach to Analysis

This report builds its findings on quantitative and qualitative information from:

Introduction

#### **Quantitative Data Analysis**

We analysed quantitative data from a range of sources including Office of National Statistics' Business Register and Employment Survey (BRES), a publication of employee and employment estimates at detailed geographical and industrial levels. The data is regarded the official source of employment estimates in the UK.

To analyse the data and arrive at sectoral cases, we categorised sub-sectors that have an employment over 400 jobs into broader sectoral categorisations for both LHQ LSOAs and CAZ+ LSOAs. For breakdown of LSOAs associated with each district, refer to Table 1.

Through the dataset, we analysed:

- Employment growth within each sector and sub-sector between the period 2015 to 2022 for both LHQ and CAZ.
- Location quotients of each sub-sector within LHQ compared to CAZ. Location Quotients are a measure of specialisation of a sector in a place, like London Heritage Quarter, compared to London's Central Activities Zone. A Location Quotient greater than 1 suggests that the

sector is more specialised or concentrated in the area compared to the broader region. An LQ less than 1 suggests it is less concentrated locally than in the reference area.

#### **Stakeholder Interviews**

We conducted 13 interviews with the following stakeholder types to get insight into opportunity sectors for LHQ, occupier requirements, wider trends within LHQ. Stakeholders included:

- Arup thought leaders across our Buildings, City Planning and Design, and Public Affairs Teams.
- London focused commercial real estate and occupational demand analysts within global real estate consultancies.
- Occupiers within LHQ commercial spaces, with a focus on operational management.
- Estate managers within major landowners within LHQ.

#### Document review

We reviewed industry reports and relevant news articles to understand sectors of interest, occupier requirements, and current investor sentiment. Refer to the endnotes for a complete list of sources referenced.

HQ LSOAs	
E01004743	Westminster 021B
E01004731	Westminster 020A
E01004734	Westminster 018A
E01004735	Westminster 018B
E01004746	Westminster 021D
E01004732	Westminster 020B
E01004733	Westminster 020C
E01004744	Westminster 020D
E01004750	Westminster 023E
E01004745	Westminster 021C
E01004748	Westminster 020E
E01004736	Westminster 018C

CAZ MSOAs		
E02000869	Tower Hamlets 006	
E02000872	Tower Hamlets 009	
E02000878	Tower Hamlets 015	
E02000884	Tower Hamlets 021	
E02000886	Tower Hamlets 023	
E02000887	Tower Hamlets 024	
E02000889	Tower Hamlets 026	
E02000890	Tower Hamlets 027	
E02000891	Tower Hamlets 028	
E02006853	Tower Hamlets 032	
E02006854	Tower Hamlets 033	
E02000924	Wandsworth 002	
E02000960	Westminster 001	
E02000962	Westminster 003	
E02000966	Westminster 007	
E02000967	Westminster 008	
E02000968	Westminster 009	
E02000969	Westminster 010	
E02000970	Westminster 011	
E02000971	Westminster 012	
E02000972	Westminster 013	
E02000973	Westminster 014	
E02000974	Westminster 015	
E02000975	Westminster 016	
E02000976	Westminster 017	
E02000977	Westminster 018	
E02000978	Westminster 019	
E02000979	Westminster 020	
E02000980	Westminster 021	
E02000981	Westminster 022	
E02000982	Westminster 023	
E02000983	Westminster 024	

CAZ MSOAs	
E02000180	Camden 015
E02000183	Camden 018
E02000184	Camden 019
E02000186	Camden 021
E02000187	Camden 022
E02000188	Camden 023
E02000189	Camden 024
E02000190	Camden 025
E02000191	Camden 026
E02000192	Camden 027
E02000193	Camden 028
E02000001	City of London 001
E02000370	Hackney 026
E02000371	Hackney 027
E02000568	Islington 015
E02000572	Islington 019
E02000573	Islington 020
E02000574	Islington 021
E02000575	Islington 022
E02000576	Islington 023
E02000582	Kensington and Chelsea 006
E02000584	Kensington and Chelsea 008
E02000586	Kensington and Chelsea 010
E02000588	Kensington and Chelsea 012
E02000590	Kensington and Chelsea 014
E02000592	Kensington and Chelsea 016
E02000594	Kensington and Chelsea 018
E02000619	Lambeth 002
E02000620	Lambeth 003
E02000621	Lambeth 004
E02000623	Lambeth 006
E02006801	Lambeth 036
E02000808	Southwark 002
E02000809	Southwark 003
E02000812	Southwark 006
E02000815	Southwark 009
E02000818	Southwark 012
E02000820	Southwark 014
E02000822	Southwark 016
E02006802	Southwark 034

# Appendix Approach to Analysis

Location Quotients are a measure of specialisation of a sector in a place, like London Heritage Quarter, compared to London's Central Activities Zone.

A Location Quotient greater than 1 suggests that the sector is more specialised or concentrated in the area compared to the broader region. An LQ less than 1 suggests it is less concentrated locally than in the reference area.

#### Legend

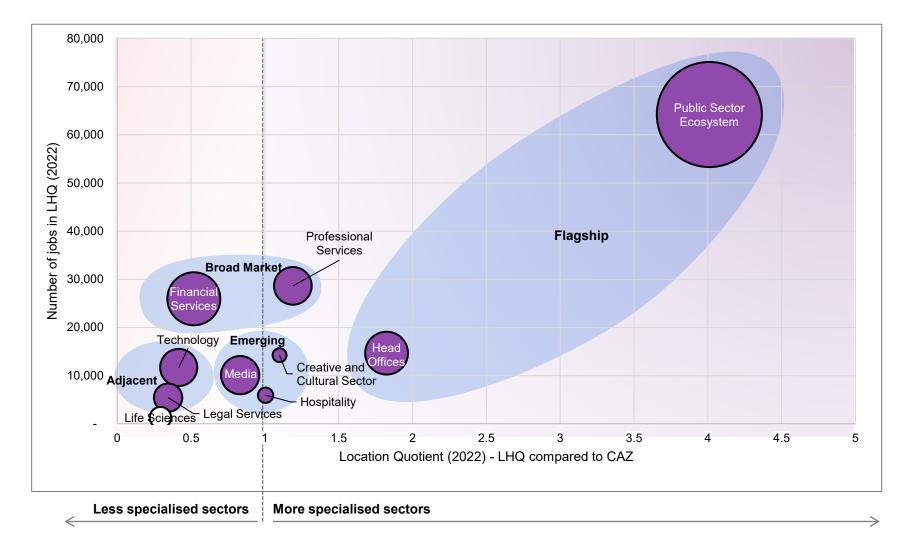
Bubble area sizes represent the scale of job growth in LHQ between 2015 and 2022.

External Sectors do not have a zone as they have negligible presence in LHQ.

Sectors with negative job growthOpportunity Sectors

Source: Business Register and Employment Survey for Westminster, Arup Analysis.

Note: Based on sub-sectors with employment of 400 or more.



Appendix

#### Endnotes

Introduction

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