

City of London Local Plan
City Plan 2036
Proposed Submission Draft
Topic Paper 1 – OFFICES



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1. Policy Context

National Planning Policy Framework

The national policy context is provided by the National Planning Policy Framework (NPPF), February 2019 and the national Planning Practice Guidance (PPG). The NPPF is prepared by the Ministry of Housing, Communities and Local Government to set out the planning policies for England and how these are to be applied. The NPPF emphasises the importance of sustainable development that must be taken into account when preparing a local plan.

NPPF paragraphs 80-84 set out policy for building a strong and competitive economy. Paragraph 80 indicates “Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.”

Paragraph 81 of the NPPF indicates that planning policies should:

- “a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth,
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”

Planning Practice Guidance

Government Planning Policy Guidance (PPG) was published in 2018 and is updated regularly, most recently in July 2020 in relation to plan making. The PPG aims to ensure that planning decisions are taken in accordance with the development plan. The PPG states that local plans should set out the vision and framework for development and identify strategic priorities and policies. The provisions of the PPG must be taken into account in the preparation of local plans and are material to decisions on individual planning applications and appeals.

In relation to offices, plan making guidance requires a clear understanding of the business requirements of an area and an evidence base which addresses existing business needs and likely changes to the market. Local planning authorities are advised to engage with the business community to understand their changing needs. This evidence can then be used to assess the need for

employment land or floorspace, the existing supply of land and its suitability to meet identified needs and the likely availability and achievability of employment-led development, taking into account market signals.

The PPG also provides guidance on how to assess economic need, indicating that the evidence base should reflect local circumstances and market conditions. The PPG indicates that recent employment land take-up and projections and forecasts should be used to provide an understanding of the underlying requirements for office and other business space. The PPG advises that it is important to understand whether there are specific requirements in the local market which affect the type of land or premises required. Specifically, “clustering of certain industries can play an important role in supporting collaboration, innovation, productivity and sustainability, as well as driving the economic prospects of the areas in which they locate.” (Housing and Economic Needs Assessment, paragraph 032).

London Plan

The Mayor of London has prepared a revised London Plan which was published on 2nd March 2021. The London Plan is the spatial development strategy for Greater London including City of London. The purpose of this plan is to establish strategic development policies for London, clarifying the extent and location of development and providing a framework for public and private agencies in their investment decisions relating to land use.

The City of London lies with the Central Activities Zone (CAZ) identified in the London Plan. Policy SD4 The Central Activities Zone (CAZ) indicates:

“(B) The nationally and internationally significant office functions of the CAZ should be supported and enhanced by all stakeholders, including the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values.” Paragraph 2.4.7 of the London Plan identifies the City of London as a nationally important location for globally-orientated financial and business services.

London Plan Policy SD5 Offices, other strategic functions and residential development in the CAZ, indicates that residential development should not compromise the strategic functions of the CAZ (point A); that in defined parts of the City of London residential development is not appropriate (B); and that elsewhere offices and other strategic functions should be given greater weight relative to residential development (C).

Paragraph 2.5.2 of the London Plan, and Figure 6.1, indicate that the CAZ and the Northern Isle of Dogs are projected to accommodate more than 367,000 additional office jobs and a net increase of 3.5 million square metres of office

floorspace over the period 2016-2041. Paragraph 2.5.3 references the prominent role of the City of London in providing capacity for world city business functions and the role of Policy SD5 in ensuring that the current and future potential to assemble and deliver office development is not compromised by residential development.

London Plan Policy E1 Offices further supports increases in the current stock of offices (point B) and supports the development and promotion of the unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the central London office market, including in the CAZ.

2. Background

GLA Employment Forecasts

The London Labour Market Projections 2017 project that jobs in London will grow from 2016 at an annual average rate of 0.78 per cent a year, equivalent to 49,000 jobs, to reach 6.907 million in 2041.

Jobs in the professional, real estate, scientific and technical sector are expected to grow strongly, accounting for over a third of the total increase expected in London to 2041. Strong employment growth is also expected in the administrative and support services, accommodation and food services, information and communications sectors, education and health sectors.

Boroughs with areas within the Central Activities Zone account for 35 per cent of the annual projected growth in jobs, or 16,900 jobs per year. The annual growth rate, however, is almost identical with that for London as a whole at 0.77% per annum. The total employment projections for the City taking into account the employee projections and estimates for self-employed jobs are 0.95% growth and 5,630 change in employment per annum between 2016 and 2041.

2016	2021	2026	2031	2036	2041
527,000	587,000	608,000	617,000	643,000	667,000

Table 1: GLA 2017 employment projections for the City of London

Source: 2017 employment projections for London by borough, GLA Economics

Mayor's Economic Strategy December 2018

This strategy sets out the Mayor's ambitions for a prosperous and sustainable economy in London and a fairer, more inclusive economy. It seeks to promote London globally as a destination and partner for investment, trade, and tourism, and build links with other cities around the world.

The Mayor is committed to creating the most supportive, innovative environment for businesses and entrepreneurs in the world, by ensuring there is sufficient supply of office accommodation and investment in transport and infrastructure and supporting the provision of affordable and flexible workspace. The Mayor identifies financial and business services as key to underpinning the workings of London's economy and aims to ensure London has sufficient office space, working with FinTech and carbon finance stakeholders, supporting London's entrepreneurs; and encouraging financial

and business services firms to be inclusive workplaces for women and BAME Londoners.

London Office Policy Review

The London Office Policy Review (LOPR) 2017 provides a review of office market trends and data. Key themes include employment and floorspace projections, changing workstyles and homeworking, Brexit, flexible and affordable offices and employment sector demand.

LOPR office employment projections suggest an increase of 619,300 jobs, from 1.98m in 2016 to 2.60m in 2041, a rise of 31%. This translates into a requirement for an additional 6.06 million m² of office space through to 2041 (employment-based forecast). Nearly 60% of this will occur in the Central Activities Zone and the North Isle of Dogs area. The LOPR has also produced low and high scenarios ranging between 4.34 million m² and 7.87 million m² of office floorspace to account for factors such as increasing the density of existing office sites; developing previously non-office sites and a relatively low level of current outstanding planning consents.

The LOPR was written prior to the UK's withdrawal from the EU when there was a greater degree of uncertainty over the process and forecasts were suggesting major job losses of at least 70,000. It acknowledged that many other factors influence employment and that indicators were more positive than expected.

The LOPR suggests that SMEs and smaller workplaces in Information & Communications; Finance & Insurance; Real Estate; Professional, Scientific & Technical and Administration & Support Services are to grow significantly. A rise in co-working spaces, smaller occupiers and flexible space market in secondary 'fringe' locations is increasing rental value and diminishing stock. The LOPR states that demand is from the expansion of the tech sector and from non-bank financial sectors. The image of the City has changed with lower rents appealing to occupiers in the west of London.

City of London Office Development

From 2011/12 to 2019/20 there was 1,554,000 m² gross of floorspace completed of which 16% was delivered in the City Cluster.

The net gain in office floorspace over this period was significantly lower, due principally to the loss of existing floorspace through demolition prior to new development taking place. The change in total office stock over this period is set out below:

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total B1 Office Floorspace (m²)	9,007,000	8,990,000	8,850,000	8,624,000	8,739,000	8,720,000	8,659,000	8,790,000	9,165,000	9,305,000

Table 2: Office Floorspace Stock

In terms of spatial distribution, Table 3 shows that the highest percentage of office floorspace is in the Bank area, followed by the City Cluster and then the City Central area.

Office Study Area	B1 Office Floorspace (m ²)	Percentage of City total (%)
Blackfriars	126,272	1.4
Pool of London	129,193	1.4
Aldgate, Tower and Portsoken	168,501	1.8
City Cluster	1,176,399	12.6
Fleet Street and Ludgate	495,905	5.3
Smithfield and Barbican	708,074	7.6
Liverpool Street	701,486	7.5
Bank	1,341,863	14.4
Central Riverside	583,072	6.3
City Central	1,113,554	12.0
City North East	457,352	4.9
City South East	721,530	7.8
Holborn	657,696	7.1
St Paul's	706,199	7.6
Temples / Whitefriars	217,603	2.3
<i>City of London Total</i>	<i>9,304,699</i>	<i>100</i>

Table 3: Office Floorspace Stock Distribution

Figure 1 shows the office study areas identified in Table 3

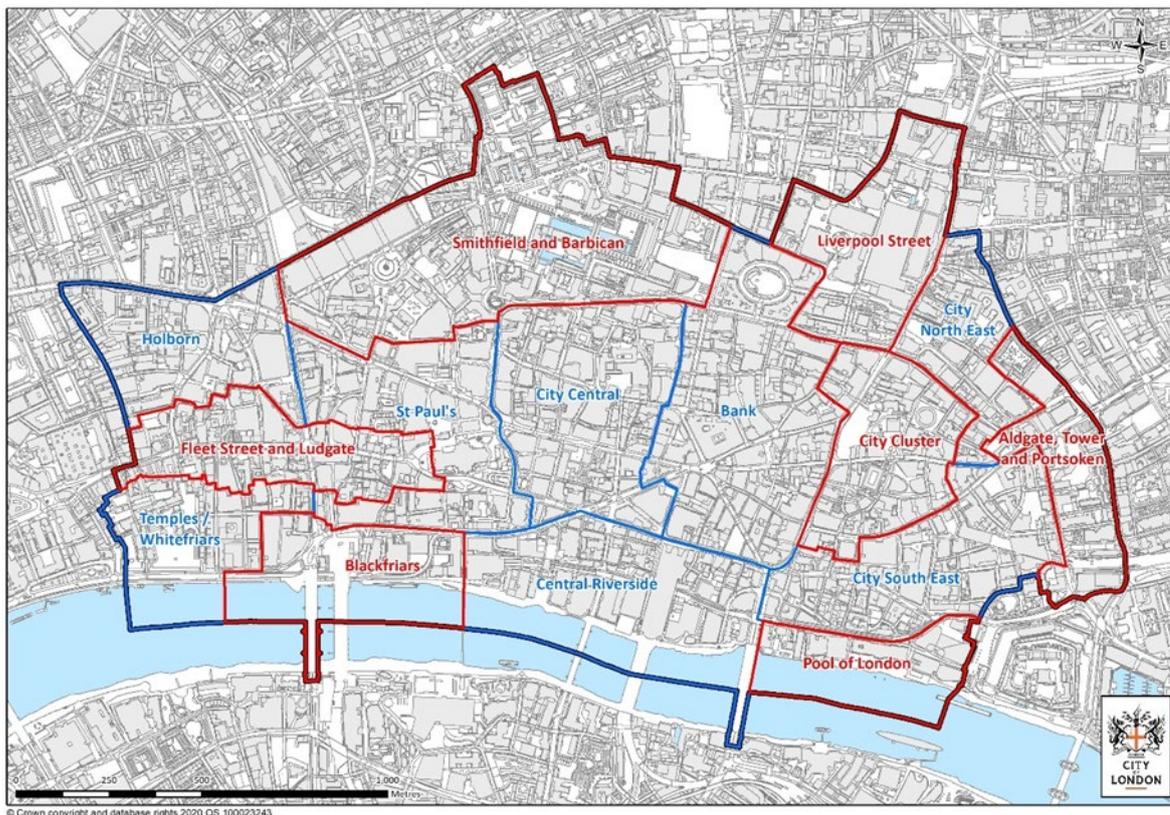


Figure 1: Office Study Areas

For the 2020/21 year and further ahead, there is projected to be a significant increase in completed office floorspace as schemes which are currently under construction are completed, or schemes which have permission but are unimplemented move forward to construction.

At 31st March 2020, 764,870m² of new office floorspace was under construction. A further 570,150m² of office floorspace has been permitted but has not commenced, and 1,650m² of floorspace had a resolution to grant subject to the signing of a s106 agreement. This gives a total office development pipeline at 31st March 2020 of 1,336,670m².

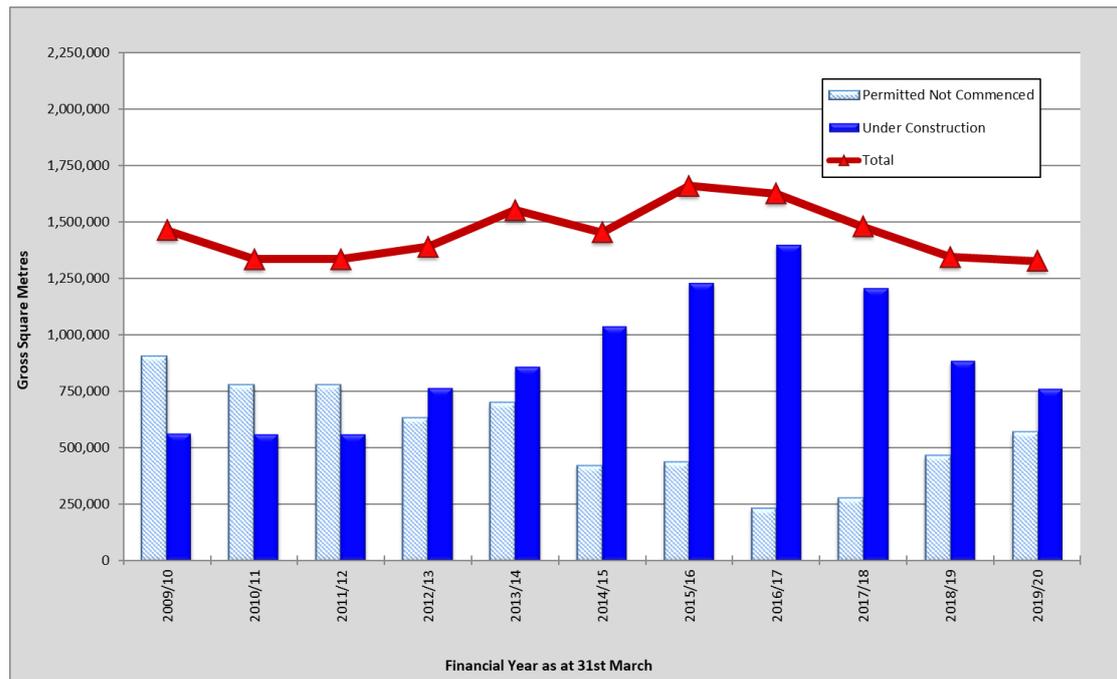


Figure 2: Office development pipeline

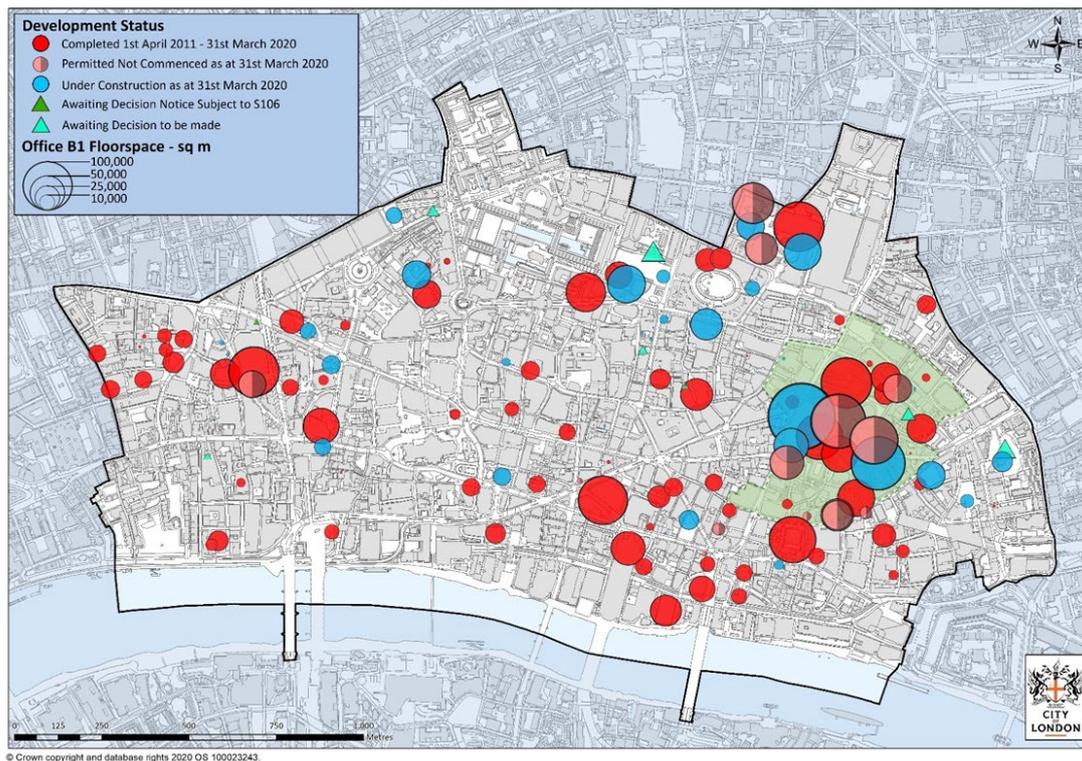


Figure 3: Spatial Distribution of Office Development

At 31st March 2020, of the 764,870m² of office floorspace under construction, 366,660m² was in the City Cluster . Other sites under construction are widely distributed within the north and west of the City of London. A further 365,300m² of office floorspace was permitted not commenced in the City Cluster.

Overall, of the projected delivery of additional office floorspace, 48% is projected to be delivered in the Eastern Cluster.

The net gain in office floorspace has been below the target levels set in the 2015 Local Plan, but as Figure 4 below shows, over the period of the Local Plan from 2011/12 to 2025/26, the net gain in office floorspace is projected to be only marginally below the target of 1,150,000 sqm net gain in floorspace.

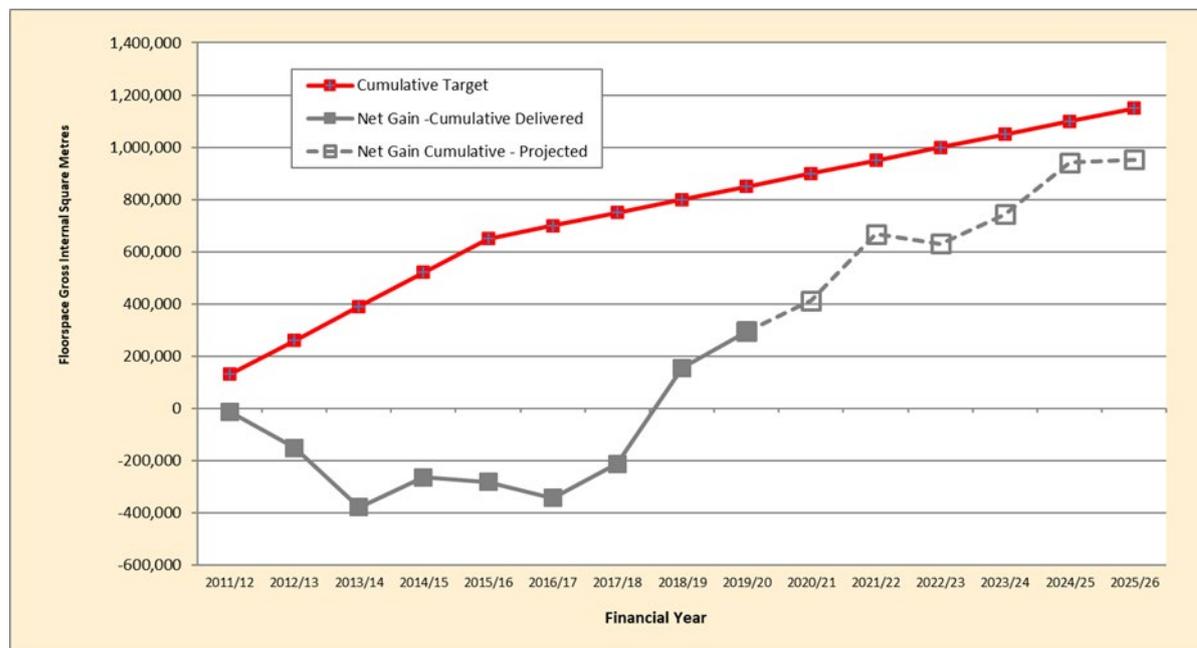


Figure 4: City of London Office Development Trajectory

BRES Employment Data

An annual employment survey is undertaken every year by the Office for National Statistics (ONS). This is published in the Business Register Employment Survey (BRES).

Employment in the City of London has steadily increased from 331,900 in 2009 to 541,000 in 2019. The key employment sectors in the City of London for the year 2019 were Financial (35%), Professional and Estate (26%), and Administrative and Education (18%), each showing an increase between 2009 to 2019.

The Financial Sector is the largest employment sector in the east of the City, with Professional and Estate being the largest in the west of the City. Administrative and Education is dispersed throughout the City.

Compared with Greater London (72%) there is a high proportion of the workforce in full-time employment in the City of London (84%). The highest proportion of part-time employment is in the Accommodation and Food Services, Wholesale and Retail, and Administrative and Education sectors.

13% of the workforce in the City were part time, with 3% working owners. Although the percentage of part time employees was unchanged from 2018, the number of part time workers increased from 69,000 in 2018 to 72,400 in 2019.

The number of employees in the City have increased each year from 463,000 in 2016, to 495,900 in 2017, to 507,450 in 2018 and 525,870 in 2019.

The Financial sector is the single largest sector, comprising 35% of all City employment in 2019, and increased from 178,400 in 2018 to 190,000 in 2019.

Professional and Estates represented the second largest sector in the City, comprising 26% of all employment in 2019. The total employment rose from 138,500 in 2018 to 139,900 in 2019.

Administrative and Education was the third largest sector, comprising 18% of all employment in 2019, increasing from 97,700 in 2018 to 98,200 in 2019.

The Information and Communication sector comprised 11% of all employment in the City of London in 2019, the fourth largest sector. In 2008 there were 23,200 employed in the sector, increasing to 49,200 in 2018 and then to 57,000 in 2019.

Accommodation and Food Services comprised 4% of all employment in the City in 2019. Employment decreased slightly from 22,600 in 2018 to 22,300 in 2019.

The Manufacturing and Construction, Wholesale and Retail and Transportation and Storage sectors are the three smallest in the City of London. Employment in these sectors fell from 36,100 in 2018 to 33,800 in 2019. These sectors comprise 6% of all employment in the City of London in 2019.

3. Office demand

Local Plan Office Floorspace Target

The GLA's London Labour Market Projections 2017 project an increase in total employment in the City of London between 2016 and 2036 of 116,000 workers. The 2017 London Office Policy Review converts total employment to office-based employment using a conversion rate of between 80% and 90%, with the conversion rate varying from year to year. Using the conversion rate of 88% for 2036 and applied to the growth in total employment in the City of 116,000 over the 2016 to 2036 period, the projected growth in office employment over the same period would be 103,000 office workers.

The LOPR makes several assumptions on worker density rates for London offices based on the British Council for Offices 2013 study of the amount of floorspace used per desk. This study found a mean of 10.9m² Net internal area (NIA) per worker in the UK and 11.3m² NIA per worker in London. The LOPR chose to use the 10.9m² figure and a ratio of 1.2 workers per desk, to take into account part-time, flexible and homeworkers, thereby deriving an estimate of 9m² (NIA) per worker. The LOPR converts Gross Internal Area (GIA) to NIA using a ratio of 80%, to produce a projected office worker floorspace density ratio of 11.3m² GIA per worker.

The LOPR assumed density ratio pre-dates the significant changes in office working patterns and potential changes in worker floorspace densities. It is not clear to what extent the current focus on working from home will continue post-pandemic, or to what extent lower densities will be sought by workers returning to offices, but the City Corporation will continue to monitor office occupation and employment trends and consider the need for review of the Plan as a result. Further information on the impact of Covid-19 on office development and employment trends is set out at the end of this topic paper.

For the City, office development evidence suggests that the Net to Gross ratio is likely to be slightly lower than that assumed in the LOPR at around 75%. This takes into account the unique nature of the City and the type of office development delivered, particularly the increase in office floorspace within tall buildings.

The 2017 LOPR assumes an 8% allowance for office vacancy, as recommended from past London Plan Examinations. This level of vacancy is considered appropriate to allow for the efficient operation of the office market. The vacancy rate in the City of London for the 5 year period prior to drafting of the Local Plan was around 6%, below the 8% rate as allowed in the LOPR.

However, to ensure alignment with the assumptions which underpin the London Plan, an adjustment is therefore required to the assumed vacancy rate in the City when assessing the need for future office floorspace. This adjustment is required in two calculations: an upwards adjustment of 2 percentage points to future vacancy levels, and a one-off historic adjustment to build in an 8% vacancy rate at the base date of the Local Plan floorspace calculation.

The office floorspace calculation in the adopted 2015 City of London Local Plan provides for an additional contingency figure of 25%. This contingency allows greater flexibility to respond to changing market demands in the City of London and ensure that there is sufficient occupier choice. As indicated in Figure 4, the adopted Local Plan floorspace target, with this added contingency, will be largely met by the end of the Local Plan period. It is therefore clear that the level of market demand for office space in the City of London over the period of the adopted Local Plan has been above the level required to meet employment projections at the start of the Local Plan period. Whilst there is some uncertainty over short-term economic growth due to the Covid-19 Pandemic, in the medium to longer term growth is expected to return and the continued use of a 25% contingency figure will provide further flexibility for the City Corporation to respond to changing market demand for offices, ensuring that there is sufficient supply to meet future needs.

The methodology used to calculate future floorspace requirements for the Local Plan reflects the methodology used in the adopted 2015 City of London Local Plan and the 2011 City of London Core Strategy, but also takes on board the latest evidence from the 2017 LOPR while factoring in the 2017 GLA employment projections. The projected estimate of additional floorspace in the City is set out in Table 4.

Employment Growth from 2016 to 2036	103,000 workers	Totals
Density of Desks	x 10.9m ²	= 1,122,700m ²
Workers Per Desk	÷ 1.2	= 935,583m ²
NIA to GIA conversion	÷ 75%	= 1,247,444m ²
Vacancy Rate	x 8%	= 1,347,240m ²
Vacancy Adjustment	+ 176,400m ²	= 1,523,640m ²
Contingency Rate	+ 25%	= 1,904,550m ²

Total Floorspace Target = 1,904,550m²

Table 4: City Plan 2036 office floorspace projection

These floorspace projections are based on a number of variables and simply translating the total floorspace target into a Local Plan target would imply a degree of accuracy that would be inappropriate over a 20 year period. The total floorspace figure is therefore rounded to a floorspace need over the 2016-2036 period of the Local Plan of 2,000,000m².

Phasing

City Plan 2036 includes an indicative phasing of the office growth with most occurring during the first decade 2016-2026.

Phasing allows for short term monitoring of progress in meeting floorspace targets and effective planning for supporting services and infrastructure. In the period 2016/17 to 2019/20, there was a net increase in office floorspace in the City of 577,700m². A further 765,000m² of floorspace was under construction, 570,000m² had been granted permission but had not yet commenced and 1,650m² of floorspace had a resolution to permit, subject to a s106 agreement. In total, the office pipeline at 31 March 2020 stood at 1,336,670m².

Given the significant front loading of the projected office supply, the projected 2,000,000m² floorspace target has similarly been front-loaded, with 1,500,000m² of floorspace projected to be delivered within the first 2 phases by 2025/26. A slower rate of delivery is then expected for the subsequent 2 phasing periods.

4. Impact of Covid-19 and Brexit

The long term employment projections published by the GLA in 2017 underpin office floorspace projections in both the London Plan 2021 and the Proposed Submission Draft City Plan 2036. The projections are long term trend based projections and do not take into account short term changes in the

national or London economy and short term changes in development trends and employment growth in the City of London.

Since the GLA employment projections were published, the UK has left the European Union and the Covid-19 Pandemic has significantly reduced economic activity, short term job growth and development trends. The economic, social and environmental impacts of these events, particularly the impacts of Covid-19 are still being felt and there remains considerable uncertainty over the medium to long term impacts on the health and wellbeing of the UK's population and its economy.

A number of economic reports are beginning to be published analysing the impacts of Covid-19 and Brexit, including in the City of London. The GLA has published updated economic forecasts as part of its regular series of London's Economic Outlook reports. The City Corporation commissioned the London Recharged Report, published in October 2020, and has appointed a Recovery Taskforce to produce a 5 year plan for the City's recovery.

London's Economic Outlook, Autumn 2020 (published December 2020)

The Economic Outlook presents 3 possible scenarios for recovery from the Covid-19 Pandemic, whilst also taking account of possible Brexit impacts. Of these 3 scenarios, fast, gradual and slow economic recovery, the gradual economic recovery scenario has been taken as the most likely scenario at the time of the report. Under the gradual recovery scenario:

- London's Output (GVA) – is forecast to decline by 9.5% during 2020, before returning to growth of 6.2% in 2021 and 6.9% in 2022.
- London's employment (workforce jobs) – is forecast to decline by 1.1% in 2020 and by 4.6% in 2021, before returning to growth of 3.0% in 2022. In 2022, employment in total is forecast to be 0.18 million jobs below the level in 2019.

Table 5 shows a breakdown of GVA and employment projections at an industry sector level, for the 2 key service sectors which impact on the City of London.

Year	2020		2021		2022	
	GVA	Jobs	GVA	Jobs	GVA	Jobs
Financial & Business Services	-5.0	-1.1	5.5	-5.0	6.1	3.4
Other Services	-15.3	1.7	5.7	-2.9	5.7	1.9

Table 5: Output and employment growth by sector (% annual change)

Source: London's Economic Outlook: Autumn 2020, GLA Economics, December 2020

The GLA forecast suggests that, whilst there will be an adverse impact on the City's economy in terms of both output and employment over 2020 and 2021, growth should return during 2022. It is too early to say whether the short-term falls in GVA and employment will have a long term impact on the City's GVA and employment, but there is equally no forecast that would suggest a fundamental change in the long term employment or office floorspace forecast which underpins the Proposed Submission Draft Local Plan.

London Recharged: Our Vision for London in 2025

This report was published in October 2020, by the City Corporation in partnership with Oliver Wyman and Arup. The report highlights the significant disruption to London's traditional working patterns as a result of Covid-19, but also the acceleration of technological trends that has resulted as government, business and individuals have adjusted to changed working patterns. The report sets out a series of key actions needed from business, government and academia, working together, to ensure the medium term recovery of the London and UK economy. Recommendations cover 5 main themes:

- Curate innovative ecosystems: including creating dedicated innovation spaces, and working in partnership across industry silos.
- Enable businesses of all sizes to flourish: including supporting and equipping SMEs to transform and grow and enabling green and sustainable recovery and transformations.
- Open London's opportunities for all: including bringing new talent into London's workforce, promoting digital inclusion and wider inclusivity.
- Invest in sustainable infrastructure: including investing in new technology and infrastructure and enhancing London's physical infrastructure.
- Inclusive and outward looking city for the UK and the world: including strengthening the UK's international business voice and ensuring regulatory competitiveness.

The report reaffirms London's existing strengths and shows that London's future success will depend on collaboration, innovation and sustainability. It sees the potential for recovery from Covid-19 to be used to reshape the future of the London and UK economy, enabling sustainable and inclusive growth.

City of London Recovery Taskforce

The City Corporation has established a Recovery Taskforce to help the City to adapt and meet changing demands by developing and implementing an actionable five-year blueprint for the Square Mile that will help the Square Mile to remain internationally competitive and locally vibrant. The Taskforce aims to complete and publish its work in spring 2021.

The work of the Taskforce recognises that the Covid-19 Pandemic will accelerate change, so that global hubs will have a critical but evolving role in the future. Firms will want to get their people together to coach, collaborate, create, and nurture a community. Workers want flexible work patterns, the buzz of working closely with others, and a place with a vibrant offer.

The Taskforce aims to ensure that the Square Mile remains a great place to invest, work, live and visit. The target vision is focused on how the City Corporation can attract businesses to the Square Mile and enable them to thrive and grow through the following dimensions:

- Outstanding environments (i.e. the right workspaces, environment, and infrastructure).
- World-class business ecosystem (i.e. thriving businesses with innovation and growth opportunities).
- Vibrant offer (retail, hospitality, culture, tourism) (i.e. what makes it fun and exciting to be here, attracting talent and visitors).

Future of the Office

Much has been written over the course of 2020 about the future of the city centre office as a large majority of office workers switched to home working as a result of the Pandemic. At the peak of the first national lockdown in April 2020, workplace visits in the City of London were down by 85%. Since then, workplace visits have fluctuated as movement restrictions were relaxed and then tightened again.

Both within the City of London, and globally, there have been reports of major companies moving to a hybrid model of working, with employees continuing to work at home for some of the time and coming into the office less than 5 days a week. Equally, there have been suggestions that this change in behaviour will result in a need for less space and a contraction in office

floorspace requirements, including in previously successful and highly accessible city centre locations.

Research carried out by Cushman & Wakefield and George Washington University (January 2021) suggests that 8 out of 10 firms expect to move to a hybrid form of working. However, the same report suggested that businesses are concerned that workplace culture, innovation, creativity, training and career development will be impacted by a reliance on home working. Businesses will, in future, require more flexible space, amenity and leasing terms to address changing business and employee expectations.

Overall, companies expect approximately 40% of employees to utilise a remote working model in the future and 37% of companies expect that more than 25% of employees will work in hybrid models that combine remote and onsite / office work (Boston Consulting Group, 2020).

Similarly, a survey by Theta Global Advisors (2021) suggests that 57% of Londoners do not want to return to full time office working post pandemic. A finding supported by a 2020 You Gov survey which found that 46% of London employees would prefer to work at home some of the time.

Although surveys suggest a change in attitude to the place of work, this is not reflected in development activity in the City of London, as evidenced by planning applications received and considered by the City Corporation during 2020. The number of planning applications received by the City Corporation in November 2020 exceeded the number received in the same month in 2019. A number of major new office development and refurbishment schemes have been considered and approved, subject to s106 agreement, by the City Corporation's Planning & Transportation Committee during the course of 2020 and January/February 2021.

Development Scheme	Net Additional Office Floorspace
50 Fenchurch Street	77,400m ²
81 Newgate Street	19,900m ²
Millennium Bridge House	1,300m ²
1-12 Long Lane	2,800m ²
150 Aldersgate Street	6,150m ²
Aldgate High Street	10,600m ²
55 Gracechurch Street	23,600m ²
70 Gracechurch Street	55,500m ²
2-3 Finsbury Avenue	61,500m ²

Table 6: Major Office Development Permitted subject to s106, April 2020-February 2021

Reconciling the sentiment for hybrid working and the demand for new or refurbished office stock in the City, Table 6 suggests that there continues to be an investor and occupier-led demand for high quality and flexible office floorspace, recognising the social and economic attractions of a city centre location.

Whilst some consolidation of office occupation is likely to occur when lease breaks arise, taking account of greater use of remote working as part of agile business models, some firms still consider face-to-face contact to be essential to their business and will be reconfiguring their existing space to adapt it to changing business practices. There is also a strong preference among younger workers for a city centre base for the social and career progression benefits it offers.

Space consolidation by existing office occupiers will provide new opportunities for new occupiers to find space in the City. Equally, as existing occupiers return to the City, it is likely that a greater proportion of existing space will be given over to social and collaboration space, providing an opportunity for flexible working which can adapt to changing social and working requirements.

These are new trends in development and the utilisation of office space emerging at a unique time. The City Corporation will monitor development and occupation trends and, through this monitoring, identify whether changing patterns require amendment to City of London planning policy.