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1. Introduction

1.1 The City of London

The City of London is internationally recognised as the world’s leading financial and business services centre. Maintenance and expansion of this commercial role is important to the national economy and to the prosperity of London and the surrounding regions.

The City of London’s role as the world’s leading international financial and business centre is supported by a unique combination of economic activities, technology, business skills and a high quality environment concentrated in a highly accessible location. The beneficial existing concentration of economic activities gives the City a “critical mass” which makes it the preferred location for many institutions, markets and major employers who specialise in “City-type” international financial and business services.

Market forecasts portray a positive long-term outlook for London and the City which predict a healthy office market with steady growth. Despite the recent recession, the take-up of office floorspace is increasing at a swift rate, while availability is falling as building stock is being used up and not being rapidly replenished. Therefore, the City’s development pipeline will need to be carefully managed in order to maintain a sufficient supply for the future.

A relationship exists between the potential growth in employment numbers in the City and how much additional office floorspace is required to meet this additional demand. Employment projections prepared by the GLA in 2009 project that there will be a cyclical recovery from the recession with significant office employment growth in the medium to longer term.

For purposes of this study, only B1 office use is being assessed as this is the dominant land use in the City. Other Use Class orders under the class “B” (i.e. B2 General Industrial and B8 Storage & Distribution) are not relevant for the City.

1.2 The need for this evidence

“Planning Policy Statement 4: Planning for Sustainable Economic Development” (December 2009) requires that local authorities consider the following policies with regard to office development policy.

Policy EC1: Using Evidence to Plan Positively

EC1.1 Regional planning bodies and local planning authorities should:

- Work together with county and unitary authorities preparing local economic assessments to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market.

- Ensure that the volume and detail of the evidence they gather is proportionate to the importance of the issue.

EC1.3 At the local level, the evidence base should:
• Be informed by regional assessments.

• Assess the detailed need for land or floorspace for economic development.

• Assess the existing and future supply of land available for economic development, ensuring that existing site allocations for economic development are reassessed against the policies in this PPS, particularly if they are for single or restricted uses. Where possible, any reviews of land available for economic development should be undertaken at the same time as, or combined with, strategic housing land availability assessments.

Policy EC2: Planning for Sustainable Growth

EC2.1 Regional planning bodies and local planning authorities should ensure that their development plan:

• Supports existing business sectors, taking account of whether they are expanding or contracting and, where possible, identifies and plans for new or emerging sectors likely to locate in their area, such as those producing low carbon goods or services. However, policies should be flexible enough to accommodate sectors not anticipated in the plan and allow a quick response to changes in economic circumstances.

• At the local level, where necessary to safeguard land from other uses, identifies a range of sites, to facilitate a broad range of economic development, including mixed use. Existing site allocations should not be carried forward from one version of the development plan to the next without evidence of the need and reasonable prospect of their take up during the plan period. If there is no reasonable prospect of a site being used for the allocated economic use, the allocation should not be retained, and wider economic uses or alternative uses should be considered.

• Identifies, protects and promotes key distribution networks, and locates or co-locates developments which generate substantial transport movements in locations that are accessible (including by rail and water transport where feasible), avoiding congestion and preserving local amenity as far as possible.

• Plans for the delivery of the sustainable transport and other infrastructure needed to support their planned economic development and, where necessary, provides advice on phasing and programming of development.

• At the local level, encourages new uses for vacant or derelict buildings, including historic buildings.

1.3 Structure of Evidence Paper

This paper will review the office market in the City and justify the Local Development Framework Core Strategy Policy CS1: Offices. This will be done in three stages. Firstly, the current situation will be examined. Secondly, future office requirements will be considered revealed, including the justification for phasing office floorspace growth in the City. Finally, the future pipeline of sites in the City will be identified. A conclusion will include recommendations as to where and how office stock will grow in accordance with Core Strategy Policy CS1.
2. The Existing Situation

This section will assess the current situation with regard to the economy, employment and office development in the City of London.

2.1 The City’s Economy

2.1.1 Current Trends

Traditionally, London has provided businesses with attractive, and internationally competitive, taxation and regulatory environment. Its business environment is enhanced by the independence of the legal system and stability of its political environment. This allows businesses to have confidence that their actions will not be unfairly affected by the government or other parties. Furthermore, as English is the first language of most of London’s workforce, London has a natural advantage over most other cities in Europe as base for internationally-oriented business. (GLA: Economic Evidence Base, 2010)

In 2009, the City of London's financial and business services sector accounted for 8.5% of UK GDP and contributed £41.8 billion to the UK’s total net exports (UK Financial Sector Net Exports, 2010).

The Z/Yen “Global Financial Centres Index” (March 2011) ranks London as the top financial centre in the world. However, the gap to other key centres has closed. London's position at the centre of global financial markets has made it particularly susceptible to fluctuations in these markets and the recession means that short-term prospects have significantly deteriorated.

It is expected that growth will eventually resume though possibly not at the rates previously experienced. The rapid growth in international financial services which helped contribute to previous economic up-turns may be diluted somewhat in future due to a more risk-averse outlook. There is also the concern about London’s competitiveness in an era of potentially tighter regulatory structures, and potentially higher levels of corporate and personal taxation. On balance, it is considered that the demand for financial innovation will return, and that London and other European financial centres will still hold enough of a competitive edge to share in the upswing. (OEF: Economic Outlook for London, October 20101)

The City of London is the UK’s primary financial hub and financial services accounted for more than 40% of City jobs in 20082. There has been a fall in total employment in the City from 2000 (329,500) to 2009 (317,000), partly reflecting the movement of some firms out of the City to City fringe locations and the Isle of Dogs3. The latest employment figures also take some account of the recession.

As would be expected by an area so reliant on the financial and business services sectors, the City of London was estimated to lose nearly 7% of Gross Value Added (GVA) in 2009, as the global financial crisis impacted heavily on the borough. The financial services sector, which contributes almost two thirds of borough GVA, was estimated to shrink by nearly 6% last year, while the business services sector (making up over 20% of borough GVA) was seen to lose more than 10% of output. Nevertheless, the area is forecast to see a strong return to growth this year (3.5%). This is driven mainly by recoveries in the aforementioned sectors, with

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1 For the Office Evidence Paper (September 2010), the previous version of OEF: Economic Outlook for London (published April 2010) was used.
2 OEF: Economic Outlook for London (published April 2010)
3 Employment Trends (April 2011)
the business services sector forecast to experience 5% growth, and the financial services sector almost 4%. With these sectors driving the borough’s economy in the medium-term, GVA growth rates are forecast to consistently exceed the London average, achieving rates of between four and five percent between 2012 and 2017. Employment in the borough is expected to hold up reasonably well, falling by 2% in 2009, and from then on is forecast to increase at between 0.5 and 1 percentage point higher than the London average through to 2015. (OEF: Economic Outlook for London, October 2010)

Alongside falling employment, the recession has resulted in a significant reduction in planning applications for offices in the City, though this has recovered recently (see Figure 1). Figure 1 also shows that the number of SMEs requesting property search support has declined on an annual basis since 2005. In 2009/10, the number has nearly halved compared to 4 years previously.

A number of high profile office developments planned in the City were slowed down or put on hold as the recession deepened, including the Pinnacle (147,000 square metres) and 122 Leadenhall Street (92,000 square metres) schemes, the ‘Walkie Talkie’ on Fenchurch Street (95,000 square metres) and the Walbrook Square development (115,000 square metres). As demand for office space fell during 2008 and 2009, so rents also fell. Since then an upturn in rents had led to revived interest in developing many of these high profile schemes.

Despite the fall in new office schemes being brought forward, new office space continues to come on-stream, principally from the legacy of investment decisions made prior to 2008, including the Heron Tower which was completed in February 2011 and delivered 66,000 square metres of new floorspace.

However in the City, the office market is volatile, as shown in Figures 2–8. The rapid upturn in the global financial sector in the final quarter of 2009, which continued into 2010, has led to significant increased demand for office floorspace in the City. Over the past four years building costs (materials and wages) were rising at a rate of circa 5% pa, considerably above the rate of general inflation, and tender prices rose by an even greater amount due to strong development activity. However, construction companies are now lowering their tender prices and squeezing their profit margins as they compete for fewer contracts in a declining market. Employment and rental levels are increasing again and media reports suggest that a handful of property companies are planning to start new schemes (see Appendix A). Even if existing planned schemes are re-activated, there is likely to be a period of shortage of high quality floorspace in the City, at least in the short term.

To address the volatility and ensure that the City can continue to meet the demands of international business, planning policy needs to provide a range of accommodation and maintain a reserve of new space.

Over the longer term the financial services sector is expected to recover strongly. Therefore with the City dominated by the financial and business services sector, the long-term forecast is amongst the strongest in the UK.
Figure 1. City of London Economic Dashboard.

Source: City of London Economic Impact Dashboard (City of London Economic Development Office, February 2011)
Figure 2. City Agents’ Summaries Statistics.

For the purposes of this report, Q1 = January 1 to March 31; Q2 = April 1 to June 30; Q3 = July 1 to September 30; Q4 = October 1 to December 31 (of each year).
2.1.2 Rents (as at the end of 2010)

By the end of 2010, Grade A headline rent was reported at £55.00 per sq ft. Prime rents are now at their highest level since Q3 2008. This new level is £11.50 per sq ft higher than at the beginning of the year, and has increased by 31% since the market low of £42.00 per sq ft at the end of Q3 2009.
According to King Sturge, Grade A headline rents are expected to rise to a peak of £70 per sq ft in 2013, as availability tightens and demand remains strong.

The rent-free period on a 10-year lease is currently 24 months, this compares to 36 months a year ago.

2.1.3 Availability (as at the end of 2010)

Having remained relatively flat in recent quarters, availability fell sharply in the fourth quarter to reach 6.2m sq ft. This represents a fall of more than 400,000 sq ft from the previous quarter. Availability is now 32% below the peak set in Q2 2009.

Vacancy rates finished the year at between 6.8% and 8.9%. Vacancy rates peaked in Q2 2010 at circa 10%.

According to CBRE, only 350,000 sq ft of space completed during Q4 2010, the vast majority of which was at One New Change, EC4 where 134,000 sq ft of the total 336,600 sq ft remains available.

2.1m sq ft was completed in 2010 over half of which still remains available. This compares to 3.19m sq ft in 2009. The largest single unit on the market is at the Walbrook, at 442,127 sq ft. The building has had no lettings to date, as a consequence of Minerva holding out for an anchor tenant taking in excess of 250,000 sq ft.

Completion levels are expected to fall to 0.9m sq ft in 2011. Then development completions are expected to fall further in 2012 with only 0.3m sq ft likely to complete. By 2013 and particularly 2014, completion levels are expected to rise sharply.

Figure 3. City Office Take-Up & Capital Transactions.
During 2010 there was circa 6.38m sq ft of space taken up in the City, of which 3.60m sq ft (56%) was Grade A. The total take-up for 2010 is up 34% on 2009. During 2010 there was a clear trend toward larger deals compared with previous years. This was reported by agents as a reflection of confidence in the recovery as occupiers satisfied requirements deferred because of the credit crunch. As a result, there were seven deals in excess of 100,000 sq ft (BlackRock for 271,000 sq ft at Drapers Gardens, EC2; Macquarie, for 212,000 sq ft at Ropemaker, EC2; Pinsent Masons for 193,000 sq ft at 30 Crown Place, EC2), and a further eight deals over 50,000 sq ft.

### 2.1.4 Economic Comparison 2001–2009

#### Figure 4. Office Floorspace Availability.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>530,000</td>
</tr>
<tr>
<td>2002</td>
<td>830,000</td>
</tr>
<tr>
<td>2003</td>
<td>1,250,000</td>
</tr>
<tr>
<td>2004</td>
<td>1,190,000</td>
</tr>
<tr>
<td>2005</td>
<td>730,000</td>
</tr>
<tr>
<td>2006</td>
<td>640,000</td>
</tr>
<tr>
<td>2007</td>
<td>460,000</td>
</tr>
<tr>
<td>2008</td>
<td>560,000</td>
</tr>
<tr>
<td>2009</td>
<td>900,000</td>
</tr>
</tbody>
</table>
Figure 5. Rents.

<table>
<thead>
<tr>
<th>Year</th>
<th>£ per sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>60.83</td>
</tr>
<tr>
<td>2002</td>
<td>53.75</td>
</tr>
<tr>
<td>2003</td>
<td>45.50</td>
</tr>
<tr>
<td>2004</td>
<td>45.50</td>
</tr>
<tr>
<td>2005</td>
<td>48.00</td>
</tr>
<tr>
<td>2006</td>
<td>53.50</td>
</tr>
<tr>
<td>2007</td>
<td>65.00</td>
</tr>
<tr>
<td>2008</td>
<td>54.50</td>
</tr>
<tr>
<td>2009</td>
<td>43.50</td>
</tr>
</tbody>
</table>

Figure 6. Office Floorspace Demand.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2002</td>
<td>640,000</td>
</tr>
<tr>
<td>2003</td>
<td>675,000</td>
</tr>
<tr>
<td>2004</td>
<td>676,000</td>
</tr>
<tr>
<td>2005</td>
<td>670,000</td>
</tr>
<tr>
<td>2006</td>
<td>725,000</td>
</tr>
<tr>
<td>2007</td>
<td>990,000</td>
</tr>
<tr>
<td>2008</td>
<td>840,000</td>
</tr>
<tr>
<td>2009</td>
<td>870,000</td>
</tr>
</tbody>
</table>

Figure 7. Office Floorspace Take-up.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>59,000</td>
</tr>
<tr>
<td>2002</td>
<td>64,000</td>
</tr>
<tr>
<td>2003</td>
<td>93,000</td>
</tr>
<tr>
<td>2004</td>
<td>220,000</td>
</tr>
<tr>
<td>2005</td>
<td>97,000</td>
</tr>
<tr>
<td>2006</td>
<td>180,000</td>
</tr>
<tr>
<td>2007</td>
<td>103,000</td>
</tr>
<tr>
<td>2008</td>
<td>99,000</td>
</tr>
<tr>
<td>2009</td>
<td>157,000</td>
</tr>
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</table>

Figure 8. Office Vacancy.

<table>
<thead>
<tr>
<th>Year</th>
<th>Vacancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>6.8</td>
</tr>
<tr>
<td>2002</td>
<td>9.5</td>
</tr>
<tr>
<td>2003</td>
<td>14.7</td>
</tr>
<tr>
<td>2004</td>
<td>13.4</td>
</tr>
<tr>
<td>2005</td>
<td>9.9</td>
</tr>
<tr>
<td>2006</td>
<td>7.0</td>
</tr>
<tr>
<td>2007</td>
<td>3.8</td>
</tr>
<tr>
<td>2008</td>
<td>7.8</td>
</tr>
<tr>
<td>2009</td>
<td>9.3</td>
</tr>
</tbody>
</table>
*Figures were averaged from Agents’ figures provided in the relevant Q4 Digest (at the end of) each year.

Source: City Property Advisory Team City Agents Office Commentaries (2001 – 2009)

2.1.5 Economic Outlook

“Looking forward to 2011, confidence remains high in the City leasing market. However, rather than being dominated by big chunky transactions, the market will be characterised by a higher volume of deals but with lower take-up than 2010. We estimate City prime rents will rise by a further 8% to £57.50 at the end of 2011. However, the exceptional space available in high up tower buildings will breach £60.00 per sq ft on a consistent basis”. (BNP Paribas)5

“Bank funding remains scarce for speculative development, although some banks are now more willing to open discussions. Those that do have the cash, largely the REITs and the institutions, are moving forward and could well steal a march on those that need to borrow. There remains a real possibility that the funding gap will create a strange position, where very large buildings (by the REITs) and small buildings (by agile developers with equity) get built but the middle-ground (50–200,000 sq ft ‘headquarters’ buildings) remains unsupplied”. (DJD)6

5 Sourced from City Property Advisory Team Agents’ Quarterly Digest Summary (Q4 2010).
6 Sourced from City Property Advisory Team Agents’ Quarterly Digest Summary (Q4 2010).
2.2 Employment in the City

An annual survey is undertaken by the Office for National Statistics (ONS) which samples businesses and then estimates the total number of people employed. This was formerly published in the Annual Business Inquiry (ABI) but now forms part of the Business Register Employment Survey (BRES). The data can be analysed by detailed industrial classification and provides an annual information series which facilitates a regular assessment of employment trends that is published by the City Corporation in its annual ‘Employment Info’ and ‘Employment Trends’. The latest version was published in 2011 and relates to data from 2009.

2.2.1 Spatial Distribution of Employment in the City

Census Area Statistics Wards

Due to factors relating to changes in the City ward boundaries in 2006 and the pragmatic suppression of data at a detailed spatial level to protect confidentiality, the areas within the City of London that can be utilised for the spatial analysis of data are set out in 9 specified areas in the City which are termed Census Area Statistics Wards (CASW). This facilitates a spatial analysis of data to show where different industries are concentrated in the City. These areas do not relate to any City ward boundaries and are classified according to specific codes. Figure 9 illustrates the location of the defined areas and their specific code as utilised in the ONS published data. It is difficult to use these codes as descriptors therefore the areas have been named in this publication according to their location characteristics.

Figure 9. City of London Census Area Statistics Wards.

Source: Annual Business Inquiry
It can be seen that most of the CASW’s in the East of the City have a greater density of employment than in the West, specifically the Bishopsgate and the Tower areas. The Bishopsgate area has a large number of transport interchanges such as Liverpool Street and has a dense cluster of tall buildings providing office accommodation. The Tower area, coupled with the Monument Area, traditionally clusters office based employment. The Western City area has shows as high a density of employment. Barbican West and Barbican East and Golden Lane have lower employment density as they are principally residential areas. The Blackfriars and Ludgate area also has lower employment due to the predominance of conservation areas as well as a distribution of ecclesiastical buildings.

The two most prominent employment sectors in the City are:

- Financial sector, including financial services activities, auxiliary activities and insurance
- Professional sector, including legal, accountancy and other professional services
2.2.2 Financial Sector

The financial sector is the largest industrial sector in the City of London accounting for 41% of all employment in 2009. Figure 11 illustrates the spatial distribution of the 137,000 employed in the financial sector in the City of London in 2009. The largest concentration is in the East of the City, specifically in the Bishopsgate area, which comprises 33% of employment in the financial sector within the City.

Figure 11. Spatial Distribution of the Financial Sector for 2009.

Source: Business Register Employment Survey (BRES)
2.2.3 Professional Sector

The Professional sector includes legal, accountancy and other professional services. It is the next largest sector in the City of London accounting for 28 percent of all employment in 2009. Figure 12 below illustrates the spatial distribution of the 93,000 employed in the professional sector in the City of London in 2009. The largest concentration is in the West of the City, due in part to the legal quarter near the Temples and the Courts of Justice. There is also a concentration of accountants in the west with other professional services more widespread.

Figure 12. Spatial Distribution of the Professional Sector for 2009.

Source: Business Register Employment Survey (BRES)
2.2.4 Summary

Figure 13. Employment specialisms in the City.

Source: City of London (2010)

Figure 13 shows the distribution of employment sector per CASW area, expressed as a percentage for each CASW area. This reveals that banking and other financial services while the most dominant in the Bishopsgate CASW, is distributed strongly throughout the City. Insurance is highly concentrated in the east of the City, towards the Tower of London, shown by high concentrations in Tower CASW and City East CASW. There are smaller concentrations of insurance in the west of the City and in areas dominated by banking and other financial services. Accountancy is traditionally concentrated in the west of the City and does not tend to locate anywhere else in the City, but legal services are seen to locate further east, having reasonable concentrations across the rest of the City. Other business services are broadly distributed fairly evenly across the City.
Figure 14. Employment specialisms in the City (Proportionate).

Source: City of London (2010)

Figure 14 takes the analysis a step further, with the size of the pie charts being proportionate to the total number of employees within each CASW area. This provides a more accurate interpretation of the dominance of certain employment sectors in certain locations of the City.

Figure 14 shows that employment sectors are spread across the City, but the traditional dominance of banking in the east of the City (close to the Bank of England / Bishopsgate CASW) is highlighted by the large amount of employees in that area. A similar situation exists for accountancy and legal services in the west of the City (City West CASW), with concentrations across the rest of the City but much smaller than previously considered. Insurance remains dominant on the eastern edge of the City (City East CASW and Tower CASW), with minimal concentrations elsewhere. One interesting employment sector is that of other business services, which still show as spread across the whole of the City in reasonably large concentrations.
2.3 The Current City Office Market

2.3.1 Development Statistics

Development Info is a 6-monthly publication which provides information on development activity within the City of London (see Figure 15). It covers office alongside retail, residential and hotel development and provides key development statistics. This is complemented by Development Schedules, which provides details of development sites and planning permissions, including site address, agent, floorspace, and description of scheme, in the City of London.

The latest “Development Info” publication (September 2010, published November 2010) reveals that in terms of B1 office floorspace, for the sixth consecutive period the level of new floorspace permitted fell. However in the period from April to September 2010 there was a significant increase in B1 office floorspace granted in new schemes.

Figure 16 demonstrates the volatility in the office market in the City, illustrating that periods of downturn are followed by rapid growth as economic conditions improve, highlighting the importance of a contingency reserve in terms of planned levels of growth to enable the City to respond quickly and effectively to changing demand.
Figure 15. The City Office Development.

Source: Development Info (September 2010)
At the end of 2009/10 the estimated B1 office stock had increased by 318,000 square metres over the 2008/9 level. This growth was driven mainly by reduced demolitions rather than high levels of completions, which remained low despite a slight increase. At the half way point of 2010/11 the stock level had decreased slightly to a total 8,220,000 sqm, a decrease of about 10,000 sqm from the previous survey period.

The key message is that in the City of London there has been and will continue to be a significant turnover of existing office stock leading to additional and improved stock to meet the latest occupier needs. This reflects the City's business role and its contribution to London’s status as the world’s leading financial and business centre.
2.3.2 Take Up of New Office Space

In terms of market sector composition for 2010, Banking and Finance was the largest contributor of take-up finishing the year at 47% of all take-up in the City. This compares to 40% in 2009. Business Services sector was the next largest driver of take-up during 2010 accounting for 19%, up from 9% in 2009. Professional Services finished the year at 12%, up from 11% in 2009. And the insurance sector finished 2010 at 8%, down from 16% in 2009.7

2.4 Conclusion

The next two years will herald a significant opportunity for developers with the delivery of new space likely to be at record lows. However, a multitude of factors (primarily confidence and finance) has meant that it is only recently that developers have really looked to start their construction plays. Without a strong economy driving healthy demand there is a real danger that the market swings from too little new space today to too much in 2014/15. This date remains a long way off so it is difficult to be certain and many schemes may fall by the wayside but it is right to be cautious of delivering anything but the very best space into the market at that time.8

In terms of the type of office floorspace required in the City, the employment distribution trends (outlined in section 2.2) revealed that demand will vary across the City with legal and business services tending to concentrate more in the West of the City, and banking and insurance in the East of the City.

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7 Sourced from City Property Advisory Team Agents’ Quarterly Digest Summary (Q4 2010).
8 Sourced from City Property Advisory Team Agents’ Quarterly Digest Summary (Q4 2010).
3. The City’s Office Market Requirements

This section will assess the level of demand for office floorspace (related to London wide employment projections) over the period 2006 – 2026. This will include consideration of recent trends and the scale and nature of likely demand for office floorspace and the available supply in quantitative terms. This will help form a picture of potential future requirements for office floorspace in the City.

3.1 Market Areas and Segments

Only one market segment is relevant to this paper: the office market. As outlined in section 2, the City boasts a wide range of office occupier types distributed in different areas of the City. This reflects in part the traditional pattern of office occupation in the City, with business services (legal / accounting / property) locating in the West of the City, banking and finance locating in the core close to the Bank of England, and maritime and insurance firms locating further East. Traditionally, firms in the same industry tended to cluster together for reasons of agglomeration providing economies of scale and scope. Planning policy in the City has for many years promoted office development across the City. Offices will be the main land use in those areas shown white on the Key Diagram in Figure 18, with site proposals assessed on their merits and potential occupiers assisted in their location choice by the City Property Advisory Team. Other parts of the City have concentrations of non-office uses that also play a complementary role in the mix of uses that make the City an interesting and attractive business location.
Figure 18. City of London Core Strategy Key Diagram.

Source: City of London (2010)
3.2 Public Transport and Accessibility

In many areas of Greater London transport capacity is an important consideration in relation to large developments, which are often located close to transport nodes such as railway stations. The existence of rail stations has been used to justify large or tall office buildings above the stations or in their immediate vicinity. Many planning authorities, especially in London, use the Public Transport Accessibility Levels (PTAL) methodology to assess the suitability of locations for high-density development. The relevance of these considerations in the City needs to be appraised.

The City has the highest density of public transport provision in Britain. It is served by 6 mainline stations, 12 underground and DLR stations and 54 bus routes. This gives the City an employment catchment area that covers most of the south-east of England. Many workers travel considerable distances, and public transport usage is exceptionally high, with over 90% of commuters arriving by train or bus. All these commuters complete their journey to work on foot, and most movement within the City is also on foot, giving rise to very high levels of pedestrian traffic throughout the working day.

By contrast, less than 5% of the workforce commutes by car and planning policy since the 1960s has sought strongly to restrain car use. The City’s streets are nevertheless important for servicing buildings, and large office buildings can generate considerable servicing traffic.

London Plan policies aim to accommodate the projected growth in employment within London. However, it also recognises that the public transport system is suffering serious strains on its capacity. It does not seek to restrain employment growth, but seeks to cater for it by improvements to public transport provision, particularly through the construction of Crossrail and Thameslink railways, and through underground upgrades.

The exceptionally high provision of public transport in the Square Mile means stations are in close proximity to all sites and no part of the City is more than a very short walk from a station or bus stop. It is therefore not possible to calculate PTALs for the City or to regard any location as having a higher level of accessibility than any other. It would therefore be meaningless to attempt to differentiate between potential locations for large office developments on the basis of their accessibility by public transport.

Accessibility could potentially become a significant consideration in relation to street access for pedestrians and service vehicles where there are high concentrations of high-density development. Some streets in the area are narrow and there may be difficulty accommodating the growing numbers of workers moving around on foot while at the same time meeting the requirements of vehicles needed to service buildings.

The City Corporation considers that short to medium term needs can be addressed by planned improvements to the capacity and management of the underground network and the significant enhancement to Thameslink. Longer term needs will be addressed by the development and opening of Crossrail. If Crossrail is delayed significantly beyond its scheduled opening in 2017 then a review of the Core Strategy may be needed in the longer term to take account of the potential impact on the ability of the City to absorb additional employment-generating development. However at present Crossrail is proceeding on track.
Figure 19. Public transport in the City of London.

Source: City of London (2010)
3.3 Trends in Office Supply

Figure 20. Office Development Pipeline.

Over the last 10 years, the City of London has usually maintained a B1 office floorspace development pipeline (including sites under construction and permitted not yet commenced) of between 1,500,000 and 2,000,000 square metres gross. In recent months, the total has dropped below 1,500,000 square metres as completions have not been fully replaced with new permissions. However, there remains a good choice of sites for potential occupiers seeking a ‘pre-let’ as the total floorspace permitted not commenced is still well above the 750,000 square metres target set in Core Strategy Policy CS1.

3.4 The Approach to Employment Floorspace Planning in the City

The City does not make Site Specific Allocations for office development. Development proposals are assessed on their merits on a site by site basis. This approach is a reflection of the City’s size (just over one square mile in area) and the excellent public transport accessibility of all sites. The City is also aware of the need to provide a flexible response which can adjust to changing market demand and this is helped by not allocating specific sites. The City is also aware of the need to avoid over-provision of office floorspace in the short-term and so policy seeks to phase the rate of office development over the life of the Core Strategy and to have a flexible approach to temporary alternative uses of good office sites.

3.5 Justification for Phasing Office Development

The justification behind a phasing approach is that office floorspace targets can be more clearly related to projected supply and to office employment projections as provided by the GLA in the LOPR 2009. Phasing seeks to strike a balance between supply and demand thereby reducing the scope for short term over or under supply, as well as enabling the identification of trigger points for a possible review of the Local Development Framework Core Strategy. As the Local Development Framework Core Strategy plans up to 2026, the projection figures provided from 2026 to 2031 in the LOPR are not used, but they do provide a context for the scale of growth likely to be required beyond the end period of the Plan.
3.6 City Employment Projections


The GLA employment projections are the result of research conducted by, or on behalf of, GLA Economics into the influence of three key determinants of future employment:

- Historic trends of employment, revealing the preference of employers for locating jobs in particular boroughs and the “agglomeration” pull of some boroughs for additional jobs (for example, the City for financial services).
- Site capacity, reflecting the expected availability of new business sites for jobs to locate in and across London.
- Accessibility, reflecting the relative “pull” of the London boroughs, projected by a “gravity model” reflecting changes in accessibility resulting from scheduled investments in London’s transport.

A set of “rules” was used to combine the three sets of employment projections (trend, accessibility and capacity) (see Working Paper 39). These rules were used to produce borough-level employment projections for 2011, 2016, 2021, 2026 and 2031. The sum of the projected levels of employment in all London boroughs at each date was then compared with the projected London-wide level of employment from the trend-based projections. This sum was constrained to be equal to the trend-based London wide projection by a pro-rata of the borough level projections as necessary. The resulting projections are the finalised triangulated projections. The GLA’s employment projections for the City are set out below.

**Figure 21. City of London employment projections 2011-31.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>337,000</td>
<td>332,000</td>
<td>339,000</td>
<td>373,000</td>
<td>401,000</td>
<td>423,000</td>
<td>428,000</td>
<td>435,000</td>
</tr>
</tbody>
</table>


The figures show that between 2006–2026 there is an expected employment increase of 96,000 workers in the City. This is nearly 15% of London’s total expected employment increase in all sectors over the same period.

**Figure 22. City and Greater London employment projections 2006-2026.**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>332,000</td>
<td>373,000</td>
<td>401,000</td>
<td>423,000</td>
<td>428,000</td>
</tr>
<tr>
<td>London total</td>
<td>4,632,000</td>
<td>4,976,000</td>
<td>4,953,000</td>
<td>5,114,000</td>
<td>5,280,000</td>
</tr>
<tr>
<td>GLA Projected 5-year total employment increase (City)</td>
<td>41,000</td>
<td>28,000</td>
<td>22,000</td>
<td>5,000</td>
<td></td>
</tr>
</tbody>
</table>


The GLA’s “London Office Policy Review” takes this a stage further by forecasting the increase in office-based employment, on a linear basis in 5-year phases. The figures show that
between 2006 and 2026 there is an expected office employment projection of just under 67,000 office workers in the City, which is 70% of the total employment projection increase for the City.

**Figure 23. City of London office-based employment increase 2006-2026.**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>City projection</td>
<td>332,000</td>
<td>373,000</td>
<td>401,000</td>
<td>423,000</td>
<td>428,000</td>
<td></td>
</tr>
<tr>
<td>GLA Projected 5-year total employment increase (City)</td>
<td>41,000</td>
<td>28,000</td>
<td>22,000</td>
<td>5,000</td>
<td>96,000</td>
<td></td>
</tr>
<tr>
<td>GLA (LOPR 2009) Projected office-based employment increase</td>
<td>33,312</td>
<td>11,168</td>
<td>11,168</td>
<td>11,168</td>
<td>66,816</td>
<td></td>
</tr>
</tbody>
</table>


It should be noted that any trend projections do not incorporate or anticipate any economic cycles or variations, and the actual figures will vary around this trend. Trend projections are essential for planning to provide capacity, such as office space, housing and transport, to accommodate the needs of the economy throughout all of the cycle. Short term variations from the trend are not a reason to review the projection unless the variation becomes persistent into the medium term.

### 3.7 Calculation of Office Floorspace Requirements

The Core Strategy sets out targets for the provision of new office floorspace in the City for the period 2006-2026. These floorspace targets are derived from the above employment projections, adjusted for 3 key variables:

- **Vacancy rates** – an assumption about the level of vacant office floorspace required for the efficient operation of the office market;
- **Contingency reserve** – an assumption about the level of floorspace required over that which is necessary to meet the full needs of the employment projections. This provides flexibility to respond to changing market demand and address market volatility;
- **Office floorspace employment density** – the occupational density at which new floorspace is used expressed as the number of workers per square metre.

### 3.7.1 Vacancy Rate

The draft replacement London Plan 2009 (Para 4.10) advocates a London-wide office vacancy rate of 8%.

“Provisional results from the 2009 London Office Policy Review indicate that, office based employment, may grow by some 325,000 between 2011 and 2031. On the basis of a central assumption for office employment density of 12 sq.m per worker and a frictional vacancy rate of eight per cent, London might need up to 4.2 million sq.m more office floorspace by 2031. However, particularly beyond central London, historic performance has shown that employment growth has not translated into office floorspace demand. The Mayor is concerned that the planning process should not compromise potential growth so 4.2 million sq.m provides broad,
employment based, monitoring benchmark and will be set among others address of development trends, density, rents, take-up and vacancy”.

While appreciating a vacancy rate of 8% across London, the City has chosen to apply a 10% vacancy rate, a figure which reflects longer term trends in the City over the past 10 years. Figure 24 shows the changes in vacancy rate in the City since 2001.

Figure 24. City of London Office Vacancy Rates, 2001 – 2009.

<table>
<thead>
<tr>
<th>Year</th>
<th>Vacancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>6.8</td>
</tr>
<tr>
<td>2002</td>
<td>9.5</td>
</tr>
<tr>
<td>2003</td>
<td>14.7</td>
</tr>
<tr>
<td>2004</td>
<td>13.4</td>
</tr>
<tr>
<td>2005</td>
<td>9.9</td>
</tr>
<tr>
<td>2006</td>
<td>7.0</td>
</tr>
<tr>
<td>2007</td>
<td>3.8</td>
</tr>
<tr>
<td>2008</td>
<td>7.8</td>
</tr>
<tr>
<td>2009</td>
<td>9.3</td>
</tr>
</tbody>
</table>

*Figures were averaged from Agents’ figures provided in the relevant Q4 Digest (at the end of) each year.

Source: City Property Advisory Team City Agents Office Commentaries (2001 – 2009)

3.7.2 Contingency Reserve

The City has adopted a 25% contingency reserve to its office floorspace projections, to enable the City to respond to market volatility and potentially large-scale increases in office occupation. The inherent volatility of international financial and business services (due to economic cycles) means that there exists a wider range of possibilities for the office market in the City, for example an unexpected boom would require a large amount of office floorspace in a relatively short space of time for the City to continue attracting the best global financial and business services and contribute to London’s role as the world’s leading financial and business centre. The contingency also allows the City to respond to demand for space suitable for the headquarters of major global firms looking to locate or relocate in the City9.

3.7.3 London-Wide Office Floorspace Employment Density

According to the London Office Policy Review 2009, office activities are constantly changing and it is increasingly important for planning policy to reflect the structure of demand over and above that for prime institutional space in core markets.

Growing numbers of organisations are adopting new working patterns. The outcomes of this trend are important for the London Plan. Organisations – both public and private – are using space more efficiently and more effectively. Trends in corporate management, competitive pressures, the nature of organisations, the pervasive impact of technology, and evolving social/political attitudes towards work are all changing the demands placed upon office space.

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9 A recent example is that of Nomura occupying the new office building at Watermark Place (69,000 square metres).
The bottom line is that organisations are using less space and, consequently, traditional assumptions about the growth of employment and the associated growth in employment space will need to be re-visited.

Alongside a general search for efficiency, growing numbers of organisations are changing the way in which they occupy their office buildings. Expanses of largely sterile, production line-style office space are yielding to more dynamic work environments in which teamwork and collaboration occupy far greater proportions of space. Organisations are transforming their work processes to respond to fluid organisational pressures, and technology is acting as a key enabler.

The use of technology is an important factor driving these changes, with a move away from “fixed” technology and the growing importance of mobile technologies.

A review of long-term demand for offices based on revised forecasts was prepared for the GLA at London level by Volterra and disaggregated spatially within London using the GLA triangulated employment projections. RTP (Roger Tym and Partners) refined the Financial and Business Services (FBS) employment based on finer-grained activity sectors to more accurately reflect employment which occurs in offices.

Office employment growth was converted into potential demand for office space by applying a density ratio of 12 sq m (net) or 13.8 sq m (gross) per worker. This is a higher density than that adopted in London Office Policy Review 2007, reflecting trends towards more efficient use of space by office occupiers. The combined effect of lower growth forecasts and a higher density coefficient produced a much lower potential demand for offices than in LOPR 2007, at 4.6 million sq m (net) over the period 2007-2031 (London-wide), an increase on current stock of 16%.

The figure of 12 sq m per person (net) is justified in the LOPR by reference to a sample of other surveys which have looked specifically at the density of occupation of office buildings:

**Figure 25. Employee Density Benchmark Surveys.**

<table>
<thead>
<tr>
<th>Source</th>
<th>Density benchmark (sq m NIA)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOCS</td>
<td>14 sq m</td>
<td>Up to 12.5 sq m in the IT sector</td>
</tr>
<tr>
<td>BCO</td>
<td>14 sq m Range: 12 sq m to 17 sq m</td>
<td>National guidance based on knowledge of best practice</td>
</tr>
<tr>
<td>RTP / Ramidus / King Sturge</td>
<td>16.2 sq m Range: 14.4 sq m to 20.6 sq m</td>
<td>London study, large sample</td>
</tr>
<tr>
<td>IPD</td>
<td>14.5 sq m</td>
<td>375 building sample of the Government estate</td>
</tr>
<tr>
<td>IPD / Ramidus</td>
<td>Maximum 12 sq m</td>
<td>Recommendation for new standard across government</td>
</tr>
<tr>
<td>BCO</td>
<td>12 sq m</td>
<td>2m sq m sample of office space</td>
</tr>
</tbody>
</table>


**3.7.4 City of London Office Floorspace Employment Density**

For the purposes of calculating office floorspace projections and phasing in the City, the 12 sqm per person (net) as justified in the London Office Policy Review has been used as a starting point. However the 13.8 sqm per person (gross) figure is not applicable to the local circumstances of the City of London’s office market. To arrive at a gross figure of 13.8 sqm,
the LOPR has assumed a net to gross floorspace ratio of nearly 87%. This ratio is not justified within the LOPR and is considerably above the figure of 75% assumed in the 2008 London Plan.

Evidence presented by the development industry at the Public Examination into the Draft Replacement London Plan in July 2010 supported the retention of a ratio of 75% as an average across London. Within the City, an assessment of the ratios in office development schemes within the current planning pipeline (Appendix A) shows that office floorspace net to gross ratios vary from 60% to 89.6% with an average of 73%. This would suggest that an average of 75% would still be reasonable for the City office floorspace need estimation purposes.

Applying a net to gross ratio of 75% in the City would suggest that the 12 sqm per person (net) figure should convert to 16 sqm per person (gross).

Therefore, for the purpose of office floorspace calculations, the City is using the revised office employment density figure of **16 sqm per person (gross)**.

### 3.8 Office Employment Projections for the City: Detailed Calculations

**Figure 26. London Office Policy Review (2009) City Employment Projections.**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
<th>2031</th>
<th>2011–2031</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>270,794</td>
<td>297,449</td>
<td>342,122</td>
<td>44,673</td>
<td>15.0</td>
</tr>
<tr>
<td>London</td>
<td>1,616,922</td>
<td>1,699,393</td>
<td>2,002,773</td>
<td>303,380</td>
<td>17.9</td>
</tr>
</tbody>
</table>


LOPR 2009 is projecting an increase of 44,673 “office employment” jobs during 2011–2031 at a rate of 1,168 for each five year period. It also projected an increase of 26,665 office jobs during 2007-2011, equivalent to 33,312 over the five year period 2006-11.

**Figure 27. London Office Policy Review (2009) Office Employment Projections, adapted to Employment and Floorspace Estimates.**


<table>
<thead>
<tr>
<th></th>
<th>LOPR Office Employment</th>
<th>Increase (Linear)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>297,449</td>
<td>11,168</td>
</tr>
<tr>
<td>2016</td>
<td>308,617</td>
<td>11,168</td>
</tr>
<tr>
<td>2021</td>
<td>319,785</td>
<td>11,168</td>
</tr>
<tr>
<td>2026</td>
<td>330,953</td>
<td>11,168</td>
</tr>
<tr>
<td>2031</td>
<td>342,122</td>
<td></td>
</tr>
</tbody>
</table>


2007-11 = 26,655 during the 4 years.
2006-11 = **33,312** assuming the same growth rate in 2006 as during 2007-11.
Therefore for the purpose of the City’s office floorspace projections, the following office based employment increases will be used:

- **2006 – 2011:** 33,312
- **2011 – 2016:** 11,168
- **2016 – 2021:** 11,168
- **2021 – 2026:** 11,168

This follows the linear approach as used in the London Office Policy Review 2009.

### 3.9 City of London Office Floorspace Phasing Targets

The City of London Local Development Framework Core Strategy has set a target for office development in the City, informed by the GLA employment projections (Working Paper 39, November 2009) and based on office-based employment projections provided by the LOPR 2009. The target for the increase in office floorspace from 2006 – 2026 is 1,500,000 sq m, phased as follows:

- **2006 – 2011:** 750,000 sq m (of which 318,000 sqm was delivered by March 2010)
- **2011 – 2016:** 250,000 sq m
- **2016 – 2021:** 250,000 sq m
- **2021 – 2026:** 250,000 sq m

The phasing targets are explained in further detail below:

**Figure 28. City of London Office Floorspace Phasing Target Calculations.**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>City employment projection</td>
<td>332,000</td>
<td>373,000</td>
<td>401,000</td>
<td>423,000</td>
<td>428,000</td>
<td></td>
</tr>
<tr>
<td>GLA (LOPR 2009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected office-based employment increase</td>
<td>33,312</td>
<td>11,168</td>
<td>11,168</td>
<td>11,168</td>
<td>66,816</td>
<td></td>
</tr>
<tr>
<td>Floorspace (sq m) needed assuming 16 sq m per person density</td>
<td>532,992</td>
<td>178,688</td>
<td>178,688</td>
<td>178,688</td>
<td>1,069,056</td>
<td></td>
</tr>
<tr>
<td>Floorspace (sq m) needed including 10% vacancy allowance</td>
<td>586,291</td>
<td>196,557</td>
<td>196,557</td>
<td>196,557</td>
<td>1,175,962</td>
<td></td>
</tr>
<tr>
<td>Floorspace (sq m) needed including 25% contingency reserve</td>
<td>732,864</td>
<td>245,696</td>
<td>245,696</td>
<td>245,696</td>
<td>1,469,952</td>
<td></td>
</tr>
<tr>
<td>Floorspace (sq m) needed in 5 year phases as % of total</td>
<td>50</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Floorspace targets rounded in 5 year phases (sq m)</td>
<td>750,000 (2006–11)</td>
<td>250,000 (2011–16)</td>
<td>250,000 (2016–21)</td>
<td>250,000 (2021–26)</td>
<td>1,500,000 (2026)</td>
<td></td>
</tr>
</tbody>
</table>

The total office floorspace target from 2006–2026 is therefore 1,500,000 square metres. This equates to an annual average of 75,000 square metres gross per year but the phasing allows for above average delivery in the earlier years and below average in the later years.
3.10 Office Floorspace Supply and Pipeline

3.10.1 Recent Growth in the Stock of Office Floorspace

The actual and projected growth of office floorspace in the City is on track to meet the 1.5 million sqm 2006-2026 growth target set in the Core Strategy Policy CS1 (1). Figure 29 shows that there has been a cumulative net gain of 319,000 sqm since 2006/07 and that completion of sites under construction will lead to a cumulative net gain of 604,000 sq m by the end of 2012/13. Projections in Figure 29 show that the whole target could be achieved by 2023/24 with scope for a further 144,000 sqm by 2025/26.

3.10.2 Pipeline of Stock Permitted Not Commenced

A pipeline of outstanding planning permissions is needed to offer potential pre-let office occupiers a good choice of sites and also to provide flexibility to respond quickly to changing market conditions. The Core Strategy Policy CS1 sets a target ‘pipeline’ of at least 750,000 sqm office floorspace to be permitted but not yet commenced to provide potential office occupier choice. This pipeline target is consistent with experience over the past decade and would also provide 10 years supply at the annual rate of 75,000 sqm. This pipeline target is the City of London’s long-term strategic reserve of office floorspace. It would allow the City to respond to volatility in the office market and to meet exceptional and long-term demand. Figure 20 shows that this pipeline figure stood at 889,000 sqm permitted not commenced in March 2010 and at 960,000 sqm in September 2010.

3.11 Summary on Office Floorspace Phasing Targets and Projected Delivery

Figure 29 summarises the relationship between the Core Strategy office floorspace growth phasing targets and the actual and projected office stock delivery during 2006-2026. The floorspace growth targets and phasing aim to strike a balance between likely supply and the projected demand related to office-based employment projections. The yellow line shows a higher target during 2006-11 and a lower target thereafter. The bar charts show actual delivery of additional stock to 2010 and then projections of net gain from 2011. The projected net gain is based on the pipeline of permissions to 2019 and then follows long term delivery rates to 2026.

Figure 29 shows clearly the short term volatility of office stock delivery in the City. Net losses during 2007 and 2008 were largely due to demolition of existing stock to make way for new office developments. Since then there have been net gains as stock completions have increased but total delivery is now below the Core Strategy target and is expected to remain so until 2016/17. However reduced supply has not led to a significant shortage of stock as the recession has meant that employment growth has also been below projections in the short term. Therefore the development industry has adjusted to the recession by reducing or delaying supply in the short term. They have been assisted in this by a flexible planning policy context that has enabled owners to make the best use of their sites until they are ready to be redeveloped.

Although both employment growth and office floorspace growth will be below projections in the period 2006-2011 it is likely that they will catch up later as the economic cycle progresses. Therefore the total office stock growth target of 1,500,000 sqm by 2026 remains valid. Once the extent of the 2006-11 is known shortfall then it should be carried forward into the future as part of revised targets for later periods. It is anticipated that this can be done before the Core Strategy is finally adopted.
Figure 29. Growth in Stock of Office Floorspace 2006/07 to 2025/26.
4. The Future Office Market in the City

4.1 Development Pipeline

Figure 30 (also detailed in section 2.3) reveals B1 office sites in the City (permitted not commenced and under construction) alongside those completed in the last 10 years. This gives a picture of the areas where major office development schemes will be focused in the coming years.

4.2 Recently Completed and Permitted B1 Office Schemes

4.2.1 Recently Completed Schemes*

Figure 31 shows sites in the City where significant office development sites have been completed since 1991. This shows that a significant number of large floorplate sites have been completed in various locations across the City, all being approved on their individual merits.

4.2.2 Permitted Schemes*

Figure 32 shows sites in the City where significant office development sites are in the development pipeline. Again, a significant number of large floorplate sites have been permitted in various locations across the City, all being approved on their individual merits. The majority of the larger floorspace sites (above 25,000 sq m) are in the form of tall buildings in the east of the City, where there are fewer planning constraints on development. For further details, please refer to the Tall Buildings Evidence Paper.
Figure 30. Development Pipeline as at September 2010.
Figure 31. Recently completed schemes above 1,000 square metres.

Source: City of London (2010)
Figure 32. Permitted schemes above 1,000 square metres.

Source: City of London (2010)

*For more detailed information on individual sites, please refer to the City’s “Development Schedules”, published twice yearly.
4.3 Consideration of Other Land Uses

Offices are the dominant land use within the City but there are significant concentrations of other uses as shown on the Core Strategy Key Diagram. In addition Figure 33 shows some of the main constraints on office development resulting from other uses or designations. These include:

- Residential land
- Residential clusters
- Open spaces
- Historic parks and gardens
- Nature sites
- The Temples (an established legal quarter, administered by the Honourable Societies of the Inner and Middle Temples)

In addition to these land uses, the implementation of Crossrail will have a short-term constraint on some office land during the construction phase. However the completion of Crossrail will facilitate the long term growth of offices in the City.

Additional retail provision in the City is encouraged and existing retail stock has policy protection. In recent years many office developments have included some retail provision as part of a mixed use development and this has usually enhanced and not constrained the office proposal.
Figure 33. Some land use constraints on office development.

Source: City of London (2010)
4.4 Distribution of Development

Figure 34 illustrates the broad distribution of development anticipated in each of the five Key City Places and the rest of the City set out in Core Strategy Table 2.3. The figures are presented as percentage ranges rather than precise floorspace estimates or numbers of residential units. This allows some flexibility to respond to changing circumstances. The percentages are based upon City Corporation monitoring of the development pipeline as at March 2010 (sites under construction or with the benefit of planning permission) but also take on board policy aspirations within the Core Strategy. The distribution of offices across the City reflects the City’s primary business role.

Figure 34. Anticipated Distribution of Development (% floorspace and % residential units)

<table>
<thead>
<tr>
<th></th>
<th>Offices</th>
<th>Retail</th>
<th>Hotels</th>
<th>Housing (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North of the City</td>
<td>10-20</td>
<td>20-30</td>
<td>0-10</td>
<td>70-80</td>
</tr>
<tr>
<td>Cheapside</td>
<td>0-10</td>
<td>50-60</td>
<td>10-20</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Cluster</td>
<td>60-70</td>
<td>10-20</td>
<td>0-10</td>
<td>0</td>
</tr>
<tr>
<td>Aldgate</td>
<td>0-10</td>
<td>0-10</td>
<td>0-10</td>
<td>0-10</td>
</tr>
<tr>
<td>Thames &amp; Riverside</td>
<td>0-10</td>
<td>0-10</td>
<td>60-70</td>
<td>0-10</td>
</tr>
<tr>
<td>Rest of the City</td>
<td>10-20</td>
<td>0-10</td>
<td>0-10</td>
<td>0-10</td>
</tr>
<tr>
<td>City of London</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: City of London (2010)

The London Plan supports the development of London as a leading ‘world city’. The City lies within London’s Central Activities Zone (CAZ) where expansion of commercial development is encouraged. Whilst the 2008-2009 recession resulted in job losses, GLA projections suggest that significant growth in the financial and business services sector will return in the medium to longer term. Between 2006 and 2026, projections indicate a growth in total employment in the City of 96,000, of which 67,000 (or 70%) will be office workers. The overall employment growth in the City is nearly 15% of London’s total expected employment increase in all sectors over the same period. New and refurbished offices in the City will deliver the additional floorspace needed to sustain this growth, helping to retain, and meet the changing needs of, existing businesses.

Offices are the predominant land use in the City, providing approximately 70% of all floorspace and 80% of total employment, although there are areas where other uses such as retailing and housing are locally dominant. Figure 34 shows the anticipated distribution of office development highlighting that the Eastern Cluster will be the main focus for offices, with 60-70% of growth planned to take place in the area. The North of the City will also see significant office growth (10-20% of the total), with the remaining growth distributed across other parts of the City.

In the east of the City a cluster of tall buildings forms a distinctive element in the skyline. This cluster contains the greatest density of businesses and jobs in the Square Mile, principally offices in banking and insurance use, but there are also other land uses, including open spaces and retailing at Leadenhall Market. The Eastern Cluster has potential to accommodate more development and jobs and has fewer constraints on the development of tall buildings. In the
future the Eastern Cluster will contain more tall and large buildings and an even larger workforce. Figure 36 shows that the major schemes that will be built in the Eastern Cluster.

Figure 35. The Eastern Cluster.
Figure 36. Major Schemes in the Eastern Cluster.

<table>
<thead>
<tr>
<th>Address</th>
<th>Name</th>
<th>B1 Floorspace (sq m)</th>
<th>Total Floorspace (sq m)</th>
<th>Height (metres AOD)</th>
<th>Status</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22-24 Bishopsgate</td>
<td>147,098</td>
<td>149,834</td>
<td>304.25</td>
<td>Under Construction</td>
<td>Commenced 2007, Completion 2012</td>
</tr>
<tr>
<td>2</td>
<td>110 Bishopsgate / 35-37 Comomile Street</td>
<td>66,269</td>
<td>68,279</td>
<td>257.6</td>
<td>Under Construction</td>
<td>Completed 2011, Commenced 2008</td>
</tr>
<tr>
<td>3</td>
<td>122 Leaden Hall Street</td>
<td>91,647</td>
<td>95,979</td>
<td>239.4</td>
<td>Permitted not commenced</td>
<td>Permitted 2005</td>
</tr>
<tr>
<td>4</td>
<td>25 Old Broad Street</td>
<td>65,504</td>
<td>65,946</td>
<td>199.6</td>
<td>Completed</td>
<td>Completed 1980</td>
</tr>
<tr>
<td>5</td>
<td>30 St Mary Axe</td>
<td>76,441</td>
<td>77,693</td>
<td>195.0</td>
<td>Completed</td>
<td>Completed 2004</td>
</tr>
<tr>
<td>6</td>
<td>100 Bishopsgate / 1 Comomile Street</td>
<td>99,144</td>
<td>126,397</td>
<td>180.7</td>
<td>Permitted not commenced</td>
<td>Permitted 2007</td>
</tr>
<tr>
<td>7</td>
<td>51 Lime Street</td>
<td>67,045</td>
<td>70,803</td>
<td>181.8</td>
<td>Completed</td>
<td>Completed 2008</td>
</tr>
<tr>
<td>8</td>
<td>1 Undershaft</td>
<td>56,097</td>
<td>56,097</td>
<td>129.8</td>
<td>Completed</td>
<td>Completed 1970</td>
</tr>
<tr>
<td>9</td>
<td>6-8 Bishopsgate</td>
<td>23,043</td>
<td>23,492</td>
<td>106.0</td>
<td>Completed</td>
<td>Completed 1982</td>
</tr>
<tr>
<td>10</td>
<td>99 Bishopsgate</td>
<td>42,845</td>
<td>42,845</td>
<td>105.8</td>
<td>Completed</td>
<td>Completed 1976</td>
</tr>
<tr>
<td>11</td>
<td>60-70 St Mary Axe</td>
<td>38,734</td>
<td>39,166</td>
<td>105.0</td>
<td>Permitted not commenced</td>
<td>Permitted 2006</td>
</tr>
<tr>
<td>12</td>
<td>54 Lombard Street</td>
<td>39,173</td>
<td>39,173</td>
<td>103.6</td>
<td>Completed</td>
<td>Completed 1994</td>
</tr>
<tr>
<td>13</td>
<td>1 Lime Street</td>
<td>47,770</td>
<td>47,770</td>
<td>101.0</td>
<td>Completed</td>
<td>Completed 1986</td>
</tr>
</tbody>
</table>

Source: City of London (2010) and Land Use Survey (2001)
5. Conclusion

Core Strategy Policy CS1: Offices is vitally important to delivering the Local Development Framework Core Strategy for the City of London. It is designed to achieve the overarching Vision and Strategic Objective 1 detailed below.

A World Financial and Business Centre
The Vision....
The City will remain the world’s leading international financial and business centre and a driver of the national economy, continually innovating and developing new business areas, delivering growth and prosperity for its communities.
The quantity and quality of new development, particularly offices, will keep pace with growing business needs, allowing the continued clustering of businesses that is vital to the City’s operation.

STRATEGIC OBJECTIVE 1
To maintain the City’s position as the world’s leading international financial and business centre.

Policy CS1: Offices will facilitate development which maintains and enhances the City’s role as the world’s leading international financial and business centre for the benefit of the whole of London, the surrounding region and the country.

The City’s has long been a cluster of office-based activities offering economies of scale and scope for the firms and their customers. Different office activities have traditionally clustered within different parts of the City but that pattern has lessened in recent years so office provision throughout the City can benefit a wide range of City firms.

Employment growth will boost demand for office floorspace in the City and elsewhere in London. Suitable office accommodation must be found in the City in order to sustain its “critical mass” as the world’s leading international financial and business centre. Therefore there needs to be a good choice of potential office development sites available for ‘pre-lets’ and a good choice of new office developments actually constructed and available as part of the City’s office stock.

The Core Strategy includes an overall office floorspace growth target for 2006-26 with 5-year phasing. However it must also be noted that the City’s office market fluctuates considerably, as shown by market analysis in section 2. Such volatility is likely to continue in the future in line with economic cycles and so the phasing targets will be applied flexibly. Planning policies will seek to mitigate the effects of office market volatility while ensuring that the office development potential of the City remains sufficient to sustain the City as a beneficial cluster of office-based activities that make it the world’s leading international financial and business centre.
6. Summary of Policy CS1: Offices and Justification

6.1 LDF Core Strategy Offices Policy

Policy CS1: Offices

To ensure the City of London provides additional office development of the highest quality to meet demand from long term employment growth and strengthen the beneficial cluster of activities found in and near the City that contribute to London's role as the world's leading international financial and business centre, by:

1. Increasing the City's office floorspace stock by 1,500,000m\(^2\) gross during the period 2006–2026 to meet the needs of projected long term economic and employment growth, phased as follows:

   - 2006 – 2011: 750,000m\(^2\)
   - 2011 – 2016: 250,000m\(^2\)
   - 2016 – 2021: 250,000m\(^2\)
   - 2021 – 2026: 250,000m\(^2\)

   A pipeline of at least 750,000m\(^2\) gross office floorspace with planning permission but not yet commenced will be maintained to provide office occupier choice.

2. Encouraging the assembly and development of large sites, where appropriate, to meet the accommodation needs of the City's biggest occupiers, protecting potential large office sites from piecemeal development and resisting development that would jeopardise the future assembly and delivery of large sites.

3. Encouraging the supply of a range of high quality office accommodation to meet the varied needs of City office occupiers.

4. Promoting inward investment and encouraging developers and businesses to invest and locate in the City.

5. Managing short-term over supply in the office market through a flexible approach to alternative temporary uses for vacant offices and sites, where such uses would not prejudice the eventual return of the site to office use.

6.2 Policy Justification

CS1 (1) Office floorspace requirements to 2026: Phasing

<table>
<thead>
<tr>
<th>Period</th>
<th>Floorspace (m(^2))</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 – 2011</td>
<td>750,000</td>
</tr>
<tr>
<td>2011 – 2016</td>
<td>250,000</td>
</tr>
<tr>
<td>2016 – 2021</td>
<td>250,000</td>
</tr>
<tr>
<td>2021 – 2026</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Increasing the City's office floorspace stock by 1,500,000m\(^2\) during the period 2006–2026 to meet the needs of projected long term economic and employment growth, phased as follows:
A pipeline of at least 750,000m² gross office floorspace with planning permission but not yet commenced will be maintained to provide office occupier choice.

See section 3 of the paper for justification of the figures and phasing.

CS1 (2) Assembly and development of large sites

Encouraging the assembly and development of large sites, where appropriate, to meet the accommodation needs of the City’s biggest occupiers, protecting potential large office sites from piecemeal development and resisting development that would jeopardise the future assembly and delivery of large sites.

The City of London works with developers and landowners to maintain the City’s primary financial and business services role and its world leading position. It uses the development management process, compulsory purchase (rarely), land ownership and joint working to assist in site assembly, where appropriate, to ensure office floorspace targets are met, to protect large sites (generally over 50,000 square metres gross and single floorplates up to 5,000 square metres) from piecemeal development and to provide a range of premises suitable for small and medium sized businesses.

Further guidance on delivering large sites will be set out in the Development Management DPD.

CS 1 (3) Supplying a range of high quality office accommodation

Encouraging the supply of a range of high quality office accommodation to meet the varied needs of City office occupiers.

There are a wide range of types of office accommodation that are appropriate in the City to meet the needs of different office occupiers. These include:

- Tall buildings
- Large floorplates
- Small floorplates
- Particular locations e.g. within a Conservation Area or Listed Building

Provision of a range of accommodation allows for growth in a range of business sectors, including banking, insurance, legal services and other business services, to meet the needs of international, national and more local companies.

The City of London’s “City Property Advisory Team” (within the City Surveyor’s Department) and the Economic Development Office provide assistance to potential office occupiers in finding the best possible locations and types of high quality accommodation to meet these needs and deal with the issue of oversupply related to market demand.

CS 1 (4) Promoting inward investment

Promoting inward investment and encouraging developers and businesses to invest and locate in the City.

Much of the City’s business is international in outlook and the City competes with other global centres. Ensuring the provision of sufficient office space is only one element of the package
needed to attract international companies. The City Corporation, through its “City Property Advisory Team” (within the City Surveyor’s Department) and the Economic Development Office, actively promotes the City worldwide and provides assistance to developers in meeting the needs of new and existing City occupiers.

CS 1 (5) Alternative temporary uses for vacant sites

Managing short-term over supply in the office market through a flexible approach to alternative temporary uses for vacant offices and sites, where such uses would not prejudice the eventual return of the site to office use.

The high level of volatility in the City office market means that in times where the market is not so favourable, alternative temporary uses for sites will be considered to maintain a sense of vibrancy and economic activity in the whole of the City.

Further guidance on managing alternative temporary uses of sites will be set out in the Development Management DPD.
7. Relevant Evidence Documents

City of London. DEVELOPMENT SCHEDULES (RECORDS GO BACK TO JANUARY 2000).

City of London. CITY PROPERTY ADVISORY TEAM AGENTS' QUARTERLY OFFICE COMMENTARIES (2001–2009)

City of London. (2002) UNITARY DEVELOPMENT PLAN.

City of London. CITY PROPERTY ADVISORY TEAM PROPERTY SATISFACTION SURVEY.


Communities and Local Government. (2009) PLANNING POLICY STATEMENT 4: PLANNING FOR SUSTAINABLE ECONOMIC GROWTH.


GLA Economics. (2010) SCENARIOS, PLANNING AND ECONOMIC OUTLOOKS.


Mayor of London. (2009) THE LONDON PLAN. SPATIAL DEVELOPMENT STRATEGY FOR GREATER LONDON. (CONSULTATION DRAFT REPLACEMENT PLAN)

Mayor of London. (2009) LONDON OFFICE POLICY REVIEW. (PREPARED BY RAMIDUS CONSULTING LIMITED WITH ROGER TYM & PARTNERS)


ODPM. (2004) PLANNING POLICY STATEMENT 12: LOCAL DEVELOPMENT FRAMEWORKS.

ODPM. (2004) EMPLOYMENT LAND REVIEWS – GUIDANCE NOTE. AN OVERALL APPROACH TO EMPLOYMENT LAND REVIEWS.

ODPM. (2005) PLANNING POLICY STATEMENT 1: DELIVERING SUSTAINABLE DEVELOPMENT.

Oxford Economics. (April 2010) THE ECONOMIC OUTLOOK FOR LONDON.
Oxford Economics. (October 2010) THE ECONOMIC OUTLOOK FOR LONDON.


1. **British Land (BL)** - The Leadenhall Building, EC3 – under construction

   **Scheme** - Designed by the Richard Rogers Partnership, the new building will rise to a height of 224 metres (736 ft), which will make it potentially the second tallest structure in the City of London. On completion, The Leadenhall Building will provide 587,687 sq ft of Grade A office space in the City. The building will comprise 47 storeys and a spectacular public space at the base of the building, featuring mature trees and a range of retail and amenity provision that will be unprecedented in London.

   **Issues & Updates**

   BL announced in October 2010 that it had entered into a joint venture with Oxford Properties, the real estate arm of the Canadian Pension fund OMERS Worldwide Group, to develop this property. Preliminary basement works at the site have already been completed. The total development cost is thought to be around £340m. On site construction will start immediately after the construction tender process, which will commence in January 2011. Completion of the building’s shell and core is expected in 2014.

2. **Land Securities (LS)** - 20 Fenchurch Street, EC3 – under construction

   - **Scheme** - The total floorspace of the proposed tower is 639,000 sq ft over 36 storeys and a maximum floor-plate of 27,336 sq ft. The tower also includes a public sky garden over the top 3 floors (the “One World Garden” designed by Kew). The freehold is owned by the Bridge House Estate.

   **Issues & Updates**

   Land Securities and Canary Wharf Group announced in October 2010 a 50:50 joint venture partnership to develop this site. The JV will commence construction of the substructure of the building and detailed design of the superstructure immediately. Completion to the ground floor level is planned for February 2012, with completion of the project anticipated in the second quarter of 2014.

3. **Arab Investments (AI)** - 22-24 Bishopsgate (Pinnacle Tower)

   **Scheme** - Demolition of the existing buildings and redevelopment to provide a single building arranged on 2 basement floors, ground and 63 upper floors of circa 1 million sq ft. Valued at £800m, the 945ft tall tower will include 973,000 sq ft of office space and 27,000 sq ft of retail units on the ground floor. It has been reported that further funding is required to build scheme out above ground.

   **Issues & Updates**

   With 63 storeys, on completion this will be the tallest tower in the City. It had been previously reported that Arab Investments (AI) does not want to let at present rents as it believes City
rents could soar, and that a rent of £80-£85 per sq ft could be achievable. AI would like to get to 3rd floor by Feb 2011.

4. Legal & General / Stanhope - Walbrook Square / Bucklersbury site – demolished

Scheme – Designed by Jean Nouvel / Lord Foster and consented by committee in July 2007. The approved scheme is for a campus style development comprising 4 buildings, ranging from 11 to 21 storeys and 90,000 sq ft of retail space. The site could also deliver a single building, but this would depend on pre-let occupier. There is the potential to submit a revised scheme at the end of 2010 if a pre-let agreed.

Issues & Updates

In December 2010 it was reported that Legal & General had sold a long leasehold interest in this site to Bloomberg, for the development of its new UK headquarters. The new building is to be designed by Sir Norman Foster. The agreement means Bloomberg L.P. will construct two new buildings, one that will contain in excess of 500,000 square feet / 46,500 square metres of office space to accommodate Bloomberg’s growth, and one speculative building. The site, which is 3.2 acres, will also accommodate generous public spaces and retail. Development at this site will require the relocation of the Temple of Mithras. Creation of a new entrance / exit to Bank station. Pending planning approvals, construction of the new London headquarters is tentatively scheduled to begin in early 2012, and is expected to be completed in 2015.
## Appendix B: City of London: Planning Pipeline Net to Gross Office Floorspace Ratio

Source: City of London (2010)

### Large Sites: Floorspace 50,000+ sq m City average 19 companies

<table>
<thead>
<tr>
<th>Application Reference</th>
<th>Address</th>
<th>Planning Application Details and Comments</th>
<th>Net reported floorspace (sq m)</th>
<th>Net to Gross %</th>
<th>Office floorspace (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/00442/FULEIA</td>
<td>Land Bounded By Cannon Street, Queen Street, Queen Victoria Street, Bucklersbury &amp; Walbrook, London, EC4N 8EL</td>
<td>The site is divided into 4 buildings; assume each has one office occupier mostly above ground with retail at ground floor.</td>
<td>81,741</td>
<td>71.04%</td>
<td>115,062</td>
</tr>
<tr>
<td>04/00111/FULEIA</td>
<td>122 Leadenhall Street, London, EC3V 4SL ['Cheesegrater']</td>
<td>Building is designed as &quot;flexible&quot; floorspace, but no information is provided on whether it is expected to be for multi-let or a few large occupiers. 52 floors altogether. Assumed a multi-let approach with 18 office occupiers mostly having 3 floors each.</td>
<td>53,571</td>
<td>64.76%</td>
<td>82,722</td>
</tr>
<tr>
<td>06/01123/FULEIA</td>
<td>22 - 24 Bishopsgate, 38 Bishopsgate (Crosby Court) &amp; 4 Crosby Square, London, EC2N 4BQ [Pinnacle]</td>
<td>Scheme is designed to be flexible, individual floors can be divided to allow for multi-let. 62 Floors. Assumed a multi-let approach of 21 office occupiers mostly having three floors each.</td>
<td>116,810</td>
<td>80%</td>
<td>146,013</td>
</tr>
<tr>
<td>Reference</td>
<td>Address</td>
<td>Description</td>
<td>Floors</td>
<td>Office Occupiers</td>
<td>Total Occupiers</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
<td>-------------</td>
<td>--------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>06/00158/FULEIA</td>
<td>20 Fenchurch Street, 14-15 Philpot Lane, 10 Rood Lane, 33-35 Eastcheap and part basement at 37-39 Eastcheap, London, EC3P 3DP</td>
<td>Scheme has an element of flexibility in the layout of floors and up to two tenants can occupy one floor, 39 Floors. Assumed a multi-let approach of 13 office occupiers having three floors each.</td>
<td>39</td>
<td>52,845</td>
<td>77,556</td>
</tr>
<tr>
<td>06/00839/FULL</td>
<td>St Swithin’s House (30-37 Walbrook, 11-12 St Swithin’s Lane), Walbrook House (19-27 Walbrook), Granite House (97-101 Cannon Street), including St Swithin’s Church Garden, London, EC4</td>
<td>No specific information regarding the layout of the floorplates or the type of occupancy is mentioned. Assumed 16 office occupiers, plus 3 retail occupiers to produce the City average of 19 occupiers for a building of this size.</td>
<td>39</td>
<td>43,085</td>
<td>57,263</td>
</tr>
<tr>
<td>06/00901/FULEIA</td>
<td>78 Cannon Street &amp; Cannon Street Railway &amp; Underground Stations, London, EC4</td>
<td>Floorplates are designed to allow for a range of uses; no mention of potential for multi-let occupancy. Assumed 7 office occupiers, plus 12 retail occupiers to produce the City average of 19 occupiers for a building of this size.</td>
<td>39</td>
<td>35,872</td>
<td>49,810</td>
</tr>
<tr>
<td>07/00387/FULL</td>
<td>St Botolph’s House, 138 - 139 Houndsditch And Ambassador House, 2 White Kennett Street, London, EC3</td>
<td>No mention of type of occupancy in planning application. Assumed 17 office occupiers, plus 2 retail occupiers to produce the City average of 19 occupiers for a building of this size.</td>
<td>39</td>
<td>48,486</td>
<td>67,031</td>
</tr>
</tbody>
</table>
Open plan floorplates suitable for a variety of uses and multi-occupation. Assumed 19 office occupiers consistent with City average of 19 occupiers for a building of this size.

Although a small site area, a tall tower designed for multiple lets. 46 floors including 6 plant. Assumed a modular approach of 12 office occupiers having three office floors each, remainder is retail.

Medium Sites: Floorspace 20,000-50,000 sq m City average 9 companies

<table>
<thead>
<tr>
<th>Application Reference</th>
<th>Address</th>
<th>Planning Application Details and Comments</th>
<th>Net reported floorspace (sq m)</th>
<th>Net to Gross %</th>
<th>Office floorspace (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/00309/FULL</td>
<td>Fleet Building, 40 Shoe Lane, London, EC4A 3DD</td>
<td>45,333</td>
<td>89.62%</td>
<td>50,583</td>
<td></td>
</tr>
<tr>
<td>05/00771/FULEIA</td>
<td>106 - 126 Bishopsgate and 35-37 Camomile Street, London, EC2 [Heron Tower]</td>
<td>36,144</td>
<td>62.79%</td>
<td>57,564</td>
<td></td>
</tr>
<tr>
<td>06/01144/FULL</td>
<td>Land Bounded By Mark Lane, Hart Street, London Street &amp; New London Street, London, EC3</td>
<td>16,884</td>
<td>70.03%</td>
<td>24,111</td>
<td></td>
</tr>
<tr>
<td>04/00276/FULL</td>
<td>Drapers Gardens, 12 Throgmorton Avenue, London, EC2N 2DL</td>
<td>25,211</td>
<td>70.51%</td>
<td>35,755</td>
<td></td>
</tr>
<tr>
<td>Planning application shows 7 retail units. Assumed 9 occupiers consistent with the City average for a building of this size.</td>
<td>14,525</td>
<td>73.49%</td>
<td>19,765</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning application refers to 3 retail units. Assumed 9 occupiers consistent with the City average for a building of this size.</td>
<td>23,416</td>
<td>60.35%</td>
<td>38,802</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning application refers to 2 retail units. Assumed 9 occupiers consistent with the City average for a building of this size.</td>
<td>18,806</td>
<td>74.73%</td>
<td>25,166</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>98,842</strong></td>
<td><strong>68.83%</strong></td>
<td><strong>143,599</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OVERALL TOTAL</strong></td>
<td><strong>618,129</strong></td>
<td><strong>72.96%</strong></td>
<td><strong>847,203</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>