

The Crossrail effect:

How the Elizabeth line is transforming the capital

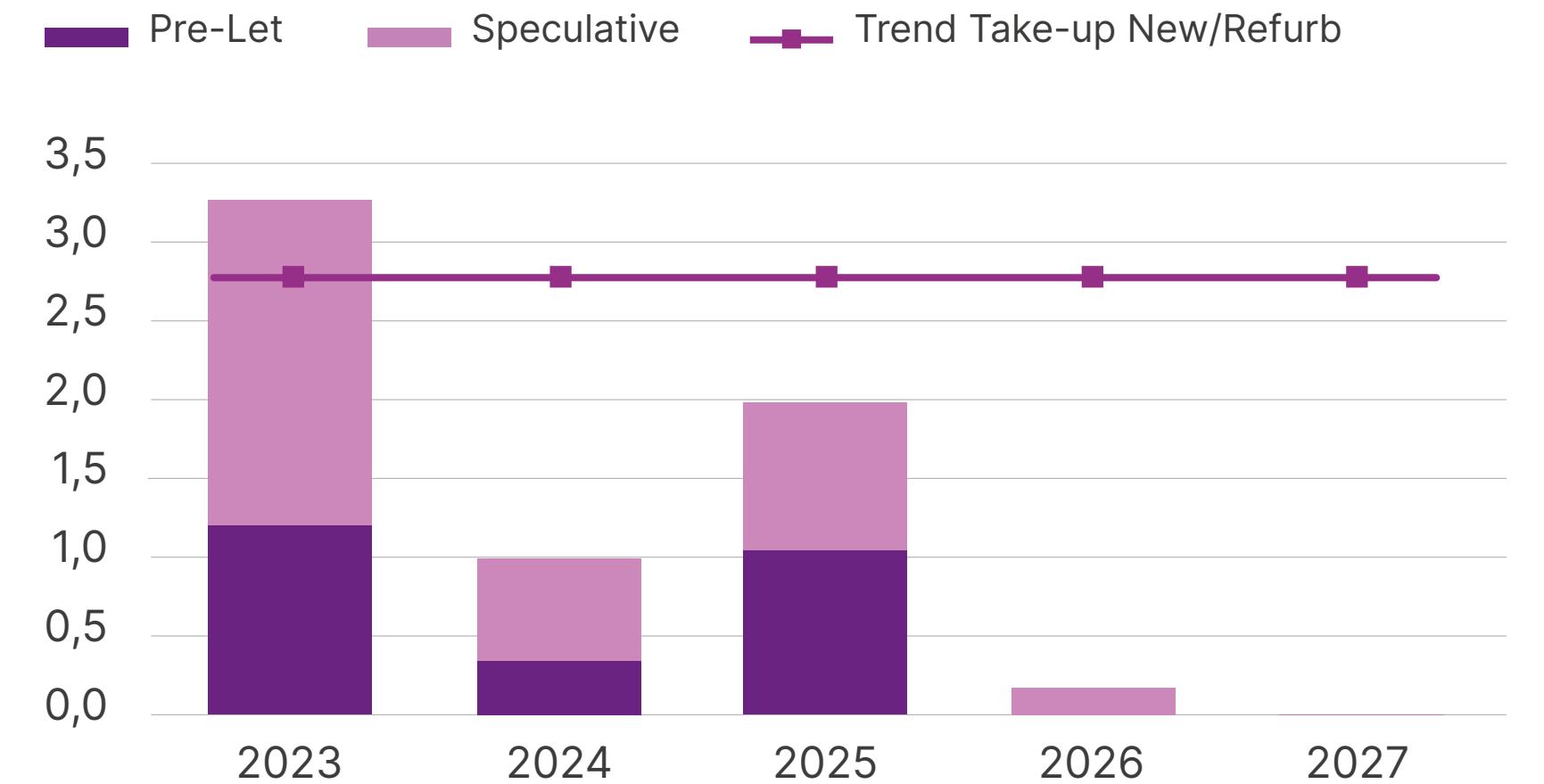
London Property Alliance

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- ▶ The Elizabeth line has had a tangibly positive impact across central London's office market.
- ▶ Although all areas around the new stations have seen a positive benefit, this is particularly demonstrable in the West End.
- ▶ Overall, the Elizabeth line has created a virtuous circle of positive improvement:
 - ▶ A marked uptick in development activity.
 - ▶ Creation of carefully-curated space with exemplary BREEAM credentials.
 - ▶ Renewed occupier demand, particularly from large multi-national operators.
 - ▶ Increased rental levels.



Elizabeth Line - Under-Construction Development Pipeline
m sq ft



THE FACTS

44%

Average five-day occupancy of buildings within 10 minutes' walking time to an Elizabeth line station.

200k

New office jobs have been created in submarkets served by an Elizabeth line station.

6%

Inflation-adjusted growth in prime rents during the last 10 years.

6.5m sq ft

Projected under-supply of prime office space in Elizabeth line submarkets.

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On The Right Track – Analysing the leasing performance of the Elizabeth line submarkets

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

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

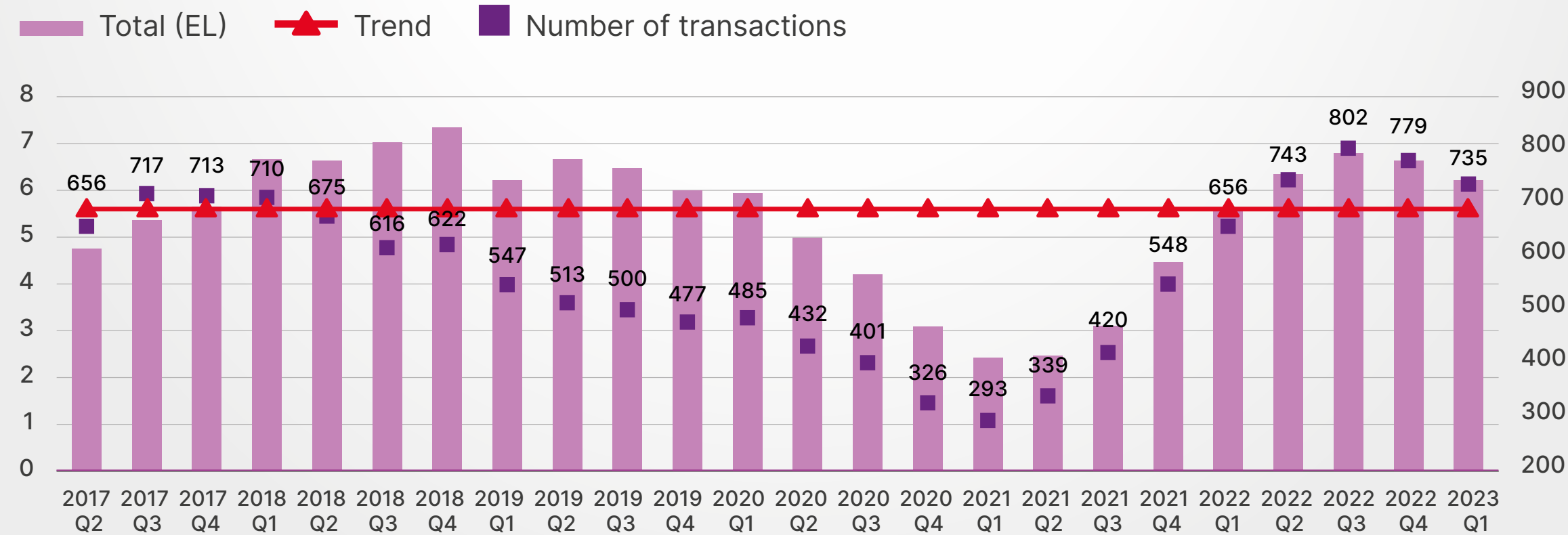
The limited under-construction development pipeline in Elizabeth line

submarkets is expected to compound the existing shortage of prime space. By 2026, a further 6.4m sq ft of office space will be completed, of which 40% has already been pre-let. This is 10ppt above the average across London.

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

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

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



Trend – average annual take-up during the last 10 years.

Creating Thriving and Vibrant Business Districts – Exploring the mixed-use nature of development around Elizabeth line stations

There have been a number of industry-leading developments that embody the hallmarks of excellent placemaking curated within 10 minutes' walking time of Elizabeth line stations.

These are vibrant, mixed-use and walkable business districts which employ innovative and contemporary methods to reduce carbon emissions.



Soho Place, Derwent London

PUBLIC REALM IMPROVEMENTS INCLUDE:

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

HIGH ENVIRONMENTAL RATINGS:

- ▶ Since 2020, 63% of all BREEAM-rated office completions in London have been built in locations served by the Elizabeth line.
- ▶ 70% of all BREEAM-rated 'Outstanding' office developments completed in London have been built in locations served by the Elizabeth line.
- ▶ 100% of all BREEAM rated 'Very Good' office completions have been built in locations served by the Elizabeth line.



100 Liverpool Street, British Land