



St Bride's Managers

London - Number One World City 2022/23
(Part 1)

London - World City 2022/23

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One of the key drivers of a strong property market is population growth and unlike many European cities, London is continuing to grow.

The current resident population of London is in the region of 8.8 million - a 7.7% increase since 2011. Population growth shows no sign of slowing down either and is anticipated to reach 10.2 million by 2030.

London's growing economy and population has encouraged the development of new business clusters - principally around the mainline railway stations. Whilst the West End & St James's retain their prestige status (and rents), there has been a 'levelling-up' across most of the rest of the Central Activities Zone.

The recent opening of the Elizabeth Line (Crossrail) has increased Central London's rail capacity by 10% and provides a boost in the capacity for businesses to grow, especially around Tottenham Court Road, Farringdon and Bond Street. On top of this, the five major airports in and around London further promote access for investment and tourism, not just from within the UK, but from Europe and further afield.

This paper sets out 50 facts in support of London remaining the world's most popular place for international inward investment.



Fact 1. London is ranked Number One in St Bride's Managers Annual World Cities Index.

Since the launch of St Bride's Managers World Cities Index in 2012, London has consistently been ranked Number One.

The Index is intended to be a risk management tool and identifies the most secure destinations for long-term investment.

St Bride's World Cities Index 2022/23

1	London	11	Berlin
2	New York	12	Washington D.C
3	Singapore	13	Seoul
4	Tokyo	14	Melbourne
5	Los Angeles	15	Amsterdam
6	Chicago	16	Toronto
7	Paris	17	Hong Kong
8	Sydney	18	Stockholm
9	Boston	19	Munich
10	San Francisco	20	Dallas

Source: St Bride's Managers, Brockwell Consulting

The model is assessed on five weighted themes; Economic Stability (20%), Constitution and Rule of Law (25%), Business Friendliness (20%), Property Fundamentals (20%) and Desirability and Living (15%). The background information is obtained from multiple expert sources.

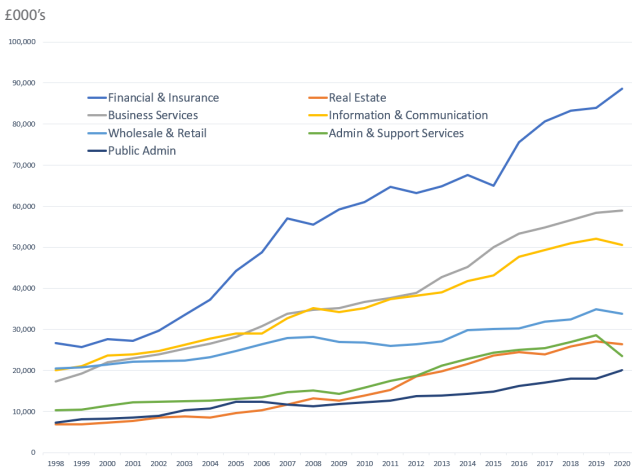
London's Ranking by Themes 2022/23

Theme	Weighting	Ranking
Overall Ranking	100%	1
Constitution/Rule of Law	25%	16
Economic Stability	20%	2
Business Friendliness	20%	4
Property Fundamentals	20%	2
Desirability & Living	15%	2

Source: St Bride's Managers, Brockwell Consulting

London scores well across all five weighted themes of the St Bride's World Cities Index, which is why it is a magnet for overseas businesses and investors.

Economic Contributions by Sector (GVA)



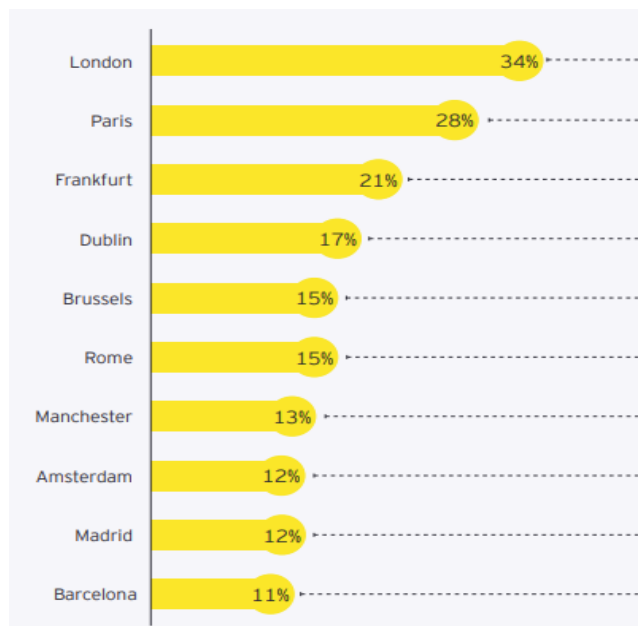
Source: ONS

London's economy, especially in the high-value sectors, continues to broaden. Financial and Business Services remain the most prominent sectors and the bedrock of London's economic output. However recent years have seen other sectors such as technology grow significantly, with major groups such as Google, Meta and Apple having committed to London.

Importantly, London is recognised as having a highly skilled and innovative labour force, a leading factor in the city fast becoming a world leader in the digital, media and life-science sectors.

Number One European City for Overseas Investment

Ernst & Young's (EY) Attractiveness Survey (2022) revealed that businesses continue to rank London as the most attractive city for foreign direct investment (FDI) in Europe over the course of the next three years.



Source: EY Attractiveness Survey Europe 2022

London has maintained a healthy lead over its nearest rival, Paris. Moreover, Manchester is also gaining prominence - a reflection of the UK Government's on-going campaign to 'level up' the country.

The UK as a whole saw an increased number of FDI projects between 2020-21, reflecting continued faith in the attractiveness of London and other cities. On top of this, the UK still holds the number one position in the technology and financial services sectors.

Embracing More High Rise Buildings



The City Skyline

At the same time as the market has broadened into new clusters, the number of high-rise buildings has increased. Whilst planning permissions may have peaked in 2013, the roll-out of tall buildings is set to continue at record levels for some time.

Recent and Upcoming High Rise Buildings

Property	Height	Completion Date
The Shard	309m	2012
The Leadenhall Building	225m	2014
20 Fenchurch Street	160m	2014
The Scalpel	190m	2018
100 Bishopsgate	172m	2019
22 Bishopsgate	278m	2020
40 Leadenhall Street	154m	*2023
8 Bishopsgate	168m	*2023
1 Leadenhall Street	183m	*No date
1 Undershaft	290m	*No date
100 Leadenhall Street	163m	*No date

* Under construction / yet to begin construction

The Rule of Law

Fact 2. The Crown Estate owns a £15.6 billion UK-wide portfolio.

The ownership of London's Royal Palaces is vested in the Crown Estate, as part of a UK-wide real estate portfolio. Other Central London ownerships include Regent Street, which has recently undergone a major upgrade, and about half of St James's.

It is reported that the Crown has a c.£500 million Central London development pipeline, and are committing £1 billion to decarbonising and improving its current portfolio.

The Duchy of Lancaster and Duchy of Cornwall, which are owned privately by the Royal Family, also own a combined 176,000 acres of rural land and an extensive part of the national shore-line (half-way between the mean high and low tides).



Regent Street

Fact 3. The UK's judiciary is one of the safest and corruption-free in the world.



The Royal Courts of Justice

The World Economic Forum's Survey reveals confidence in the independence of the the UK's judiciary and the lack of corruption.

The UK's jury system has been in place since the mid-seventeenth century and the last death sentence to be carried out (by hanging) was in 1964.

The 'Old Bailey' is arguably the most famous criminal court in the world. It was established in 1834. The court has seen many notorious trials... poet and playwright Oscar Wilde, London gangsters the Kray twins and serial killer Peter Sutcliffe (aka the Yorkshire Ripper) were all found guilty at the Old Bailey.

Fact 4. The Economist's Safe Cities Index ranks London as the fourth safest capital city in Europe.



M16 Building, Vauxhall

According to the 2021 edition of Economist's Safe City Index, which ranks cities on their digital, health, infrastructure and personal safety, London is one of Europe's safest capital cities. Only Copenhagen, Stockholm and Amsterdam are ranked higher.

Whilst the Government Communications Headquarters (GCHQ) is based in Cheltenham, the Secret Intelligence Service's headquarters are in Vauxhall, close to the new US Embassy.

The MI6 building was completed in 1993 and has since earned the nicknames of Legoland and Babylon-on-Thames due to its slightly odd step construction.

Apparently, much of the building is underground but its precise layout is not known as it is protected by the Official Secrets Act. And for the avoidance of doubt, despite the dramatic explosions in recent James Bond films, the building is still very much in one piece!

Fact 5. Westminster and Whitehall are at the heart of Central Government.



Admiralty Arch

Despite recent devolution of powers to Edinburgh, Cardiff and Belfast, and the relocation of tax offices to thirteen regional centres, the heart of Central Government remains in Westminster and Whitehall.

Even so, in pursuit of further cost and operational efficiencies and environmental improvements, the size of the central general purpose estate has reduced by 30%, delivering annual running cost savings of £1.6 billion. The Government generated £5.2 billion in capital receipts from property disposals between 2015 and 2020, which is being used for reinvestment in the retained estate and its Green objectives.

Admiralty Arch, close to Trafalgar Square, is an example of a Government sale, which is now being converted into a luxury hotel.

Fact 6. BBC Broadcasting House has been extensively refurbished and rebuilt at a cost of £1.04 billion.



BBC Portland Square

The BBC, affectionately known as 'Auntie', has been broadcasting from Portland Place since 1932. The Corporation's guiding principles are 'to act in the public interest, serving all audiences, through the provision of impartial, high quality and distinctive output and services.'

It is independent of Government and as such, is deemed to be a highly valued part of the UK's democracy.

The £1.04 billion project installed seven new studios, twenty-six demountable radio stations and an extraordinary 10 million metres of cable. The completed scheme has seen the three linked buildings bring 5,000 journalists, programme makers and managers together under one 485,000 sq. ft. roof.

Fact 7. Britain's press can be confrontational but its independence is reassuring.



Daily Courant, Fleet Street

The Independent Press Standards Organisation is the regulator for the UK newspaper and magazine industry and is responsible for holding outlets to account and upholding professional journalism standards. They have a tough task.

The IPSO is located at 1 Farringdon Street, on Ludgate Circus, at the foot of Fleet Street, which was, until the 1980s, the spiritual home of the newspaper industry.

In 2019, Goldman Sachs moved from their former offices in the art-deco Daily Express building on Fleet Street to their new state-of-the-art offices (826,000 sq. ft.) at nearby Plumtree Court.

Doing Business in London

Fact 8. Greenwich Mean Time is the reference for universal time.

Since the International Meridian Conference in 1884, Greenwich Observatory has served as the reference line for universal time (GMT).

Before this, there were no national, or international written rules as to how time should be measured.

GMT was initially brought in to benefit trading ships, but now makes London the ideal city to access world markets.

Not everyone initially adhered to the idea though. King Edward VII created Sandringham Time in 1901, operating 30 minutes ahead of GMT. Allegedly, this was to stop Queen Alexandra from always being late!



London Observatory, Greenwich

Fact 9. London is one of the world's most business-friendly cities.



The Monument

A permanent reminder of the Great Fire of London in 1666, the Monument commemorates one of the most significant events in London's history. The final edition of the World Bank's Ease of Doing Business Index (2020) ranked the UK as 8th. In 2018 and 2019 it was ranked 1st. The only other G7 country in the top 20 was the US (6th).

At a city level, the St Bride's Managers World Cities Index 2022 ranks London 4th for Business Friendliness, just behind Singapore (1), Seoul (2) and New York (3).

One of the justifications put forward for Brexit was to ensure the continuity of this friendliness to business and the country's attraction for inward investment.

Fact 10. There are 400,000 gold bars stored in the vaults of The Bank of England.



The Bank of England

In 1998, The Bank of England was given operational responsibility for maintaining monetary and financial stability through interest rate setting and the regulation of the banks and other financial institutions.

It is also home to the second largest gold vault in the world (after the New York Federal Reserve). Apparently there are 400,000 gold bars stored in its vaults, weighing 5,134 tonnes and worth over £200 billion.

Fact 11. There are over 1,600 international companies, from 70 countries, currently trading on the London Stock Exchange.



The London Stock Exchange

The LSE can trace its roots back to 1698 when John Castaing began issuing prices for gold and silver in a local coffee shop. It is the largest exchange in Europe with over 1,600 listed companies from 70 countries.

In respect of property, it has had a sizeable listed sector since the 1950s and now accommodates over fifty REITs and other property companies, with an overall market capitalisation of circa £50bn (Jan 2023).

Fact 12. A shortage of sites in the City to develop modern trading floors provoked the development of Canary Wharf.



One Canada Square, Canary Wharf

The first buildings in Canary Wharf were opened in 1991. There are now around 120,000 people employed there across 16 million sq. ft. of office and retail space. Overall, approximately 1.1 million people in the UK are employed in the Financial Services sector, of which half are based in London.

In light of the increased number of tall buildings being added to the City of London, some large occupiers are moving back from Canary Wharf. Clifford Chance, the Magic Circle law firm, is moving back to the City in 2028, having left for Canary Wharf in 2003. Canary Wharf continues to grow, however, with increasing numbers of large residential schemes being developed.

Fact 13. Lloyds of London was founded in 1686 at a coffee house in Tower Street.



Lloyds of London

The iconic Lloyds Building, on the corner of Leadenhall Street and Lime Street, was opened in 1986. The architect, Richard Rogers, also designed the Pompidou Centre in Paris.

Lloyds has paid out £145 billion in both corporate and specialist claims over the past decade.

Some unusual insurance covers include the Australian Cricketer Merv Hughes's moustache for \$360,000 and Bruce Springsteen's voice for \$5 million.

Fact 14. Bloomberg's European HQ achieved the highest design-stage BREEAM rating for any office scheme in the world.



Bloomberg European HQ

Bloomberg's European headquarters next to Mansion House, accommodates 4,000 employees under one roof.

The development achieved a BREEAM score of 98.5%. Compared to a typical office property, the building reportedly delivers a 73% saving in water and a 35% saving in energy consumption.

Rainwater is redirected from the roof, and grey water from basins and showers is recycled by the vacuum flush toilets. Overall the system is expected to save 25 million litres of water a year.

Fact 15. London is a leading destination for global technology companies.



Google HQ, King's Cross

According to Tech Nation, UK tech VC investment is third in the world, behind the US and China. And, over the past few years, there have been several signature lettings in London by tech giants including Google, Apple and Meta.

Google's new UK headquarters is now based as part of the regeneration scheme at King's Cross. Recently complete, the building is longer than the Shard is high, measuring 330 metres in length.

Apple's occupation of 500,000 sq. ft. within the rebuilt Battersea Power Station is the centre-piece of the £15 billion Nine Elms Regeneration scheme.

Fact 16. The UK has the largest advertising market in Europe.



Piccadilly Circus

The iconic advertising display at Piccadilly Circus was upgraded in 2017 to a single 783 sq. m. screen that was reported to be 'the most technically advanced screen in the world.' The board sees more than 72 million people pass by it every year but, unbeknown to innocent passers-by, smart technology is looking back at them.

The software not only identifies the volume of pedestrian flow, but also their gender, age and even if they have facial hair. From this, the technology works out what advertisements should be shown. It has been reported that advertisers are prepared to pay in excess of £4 million per year to secure space. And that is probably one of the reasons why WPP Group, the world's second largest advertising agency, calls London its home.

Fact 17. Imperial College and UCL are both top world universities.



The Royal Navy College, Greenwich

There are over 400,000 students in London at 37 universities and once again, London has been ranked, by QS, as the world's number one student city.

According to JLL, London has the best educated workforce of any global city, with nearly 59% having a tertiary education, compared to the global average of 34%.

Imperial College and UCL are ranked 13th and 18th in the World University Rankings (2022 Times Higher Education). Furthermore, since it opened its doors in 1895, thirty-seven world leaders have taught or studied at the London School of Economics. The LSE alumni also includes an impressive eighteen Nobel Prize winners.

The Royal Navy College buildings at Greenwich were originally constructed to serve as a Royal Navy Hospital in 1712, before becoming the Royal Naval College from 1873 to 1998. More recently, it has become the home for 10,000 students as part of the University of Greenwich.

Within the buildings is a double-lane bowling alley, which was built by the hospital patients in the 1860s. Bowling is still occasionally allowed, using the original wooden lanes, balls and pins.

Fact 18. The London Underground services over one billion passenger journeys each year.



The new Bond Street station

Like all mass-transit systems around the world, the London Underground is busy... but it is safe. This is just as well as prior to the Covid Pandemic, the average Londoner spent an average of 11.5 days a year on the tube.

Crossrail (the Elizabeth Line), finally opened in 2022. It provides a welcome additional 10% capacity to the system and brings 1.5 million people within 45 minutes commuting distance of the West End, the City and Canary Wharf. It also cuts the journey time from Heathrow Airport to Liverpool Street (The City) from 55 minutes to 34 minutes.

The Crossrail scheme has facilitated the delivery of twelve major over-station developments, generating some 3 million sq. ft. of new offices, retail and residential.

Fact 19. London is the first city to adopt zero emission, all-electric double-decker buses.



London's iconic red buses

London's bus network carries 6 million passengers a day – more than the rest of England combined. There are over 8,700 buses operating across 675 routes throughout the capital.

In a bid to lower London's exhaust emissions, 3,854 buses are now hybrids, 785 are electric and 22 are hydrogen fuel cell. How times have changed since the first-ever London bus which took to the road in 1829, pulled by three horses.

Before they can obtain their licence, drivers of London black taxis must pass a test, known as 'The Knowledge'. This requires them to learn 320 basic routes, 25,000 streets and 20,000 landmarks, all within a six-mile radius of Charing Cross. On average, it takes them about three years to learn this information.

Commuting by bike in London has become very popular too. There have been 160 miles of safer cycle routes introduced across the City since 2016.

Fact 20. London has 12 major railway stations and the largest - Waterloo - has 24 operating platforms in use.



Blackfriars Station

Over the past decade, Blackfriars, Farringdon, King's Cross/St Pancras, London Bridge, Victoria and Waterloo Stations have all been very significantly renovated... and 'commercialised'.

Works have also now begun on the redevelopment of Euston Station, which will be the London terminal for HS2. Phase 1 is expected to be completed by 2026. The scheme will include 11 new platforms, with a wider masterplan for 4,000 homes, public spaces, retail and food outlets.

As part of the renovation of Blackfriars Station, which straddles over the Thames, 4,400 photovoltaic panels were installed into the roof, producing 900,000 kWh of energy each year. That is enough to meet 50% of its annual energy needs.

Fact 21. London is home to the busiest airport system in the world (by passenger numbers).



London City Airport

London has five airports - Heathrow, Gatwick, Stansted, Luton and London City. Heathrow is the world's fourth busiest by passenger numbers.

Of London's enormous annual air passenger traffic, approximately 3 million travel through London City Airport, which was opened in 1987. The airport is gaining rapid favour and has recently introduced a number of new routes, including Barcelona and Milan.

City Airport is a favourite for business travel, due to its proximity to Canary Wharf and the City. But more... its passengers benefit from the airport's commitment to efficiency. They pledge to get passengers checked in and through security within 20 minutes. And, they aim to get passengers off their planes and onto the DLR station within ten minutes of landing.

Fact 22. London is a top international tourist destination and attracts some 20 million visitors each year.



View of the Savoy Hotel from Savoy Street

There is no shortage of iconic hotels in London. However, The Savoy Hotel, on the Strand, is the only one which requires cars to drive into the hotel on the right-hand side of the road.

There are approximately 123,000 hotel rooms across London, and growing.

Fact 23. London's West End and Knightsbridge are two of the world's most renowned luxury shopping destinations.



Selfridges

At a time when the High Street is under pressure, London's luxury shopping streets remain popular. Prior to the Pandemic, international visitors spent £12.33 billion in London in 2018, £1.4 billion more than in Paris. The signs suggest the figures are getting back to those levels.

Selfridges has been open on Oxford Street for 113 years. The founder, Harry Gordon Selfridge, believed in reinventing customers shopping experiences by championing theatre and spectacle. This was exhibited immediately when the store displayed Louis Blériot's airplane after he became the first man to fly over the English Channel in 1909.

Selfridges now has a skateboarding bowl in the men's designer room, complete with professional coaches on-site to hand out lessons.

Fact 24. There has been a market in Covent Garden since the seventeenth century.



Covent Garden Market

The current buildings, which were constructed in the 1830s, remained as a fruit and vegetable market until it moved to Nine Elms in 1974. It was then converted into the current popular speciality shopping destination.

The head-lease is owned by the Covent Garden Area Trust, who, pay an annual rent of one red apple and a posy of flowers!

Three of London's historic food markets, Smithfield (meat), Billingsgate (fish) and Spitalfields (fruit and vegetables) are shortly to be relocated together at Barking Reach, Dagenham.

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