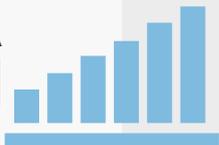


The UK's tech powerhouse is primed for more expansion ⁽¹⁾

TECH GVA
£50.1 billion



GROWTH TO 2022
+21%

TECH WORKFORCE
456,700



GROWTH TO 2022
+8%

The GVA contribution of tech is projected to grow faster than any other sector in London over the next 5 years.

Tech = Information and communications technology sector. Data relates to Greater London

Core business types ⁽²⁾



SOCIAL NETWORKS



DIGITAL ADVERTISING & MARKETING



DIGITAL MEDIA & ENTERTAINMENT



FINTECH

Aldgate, Clerkenwell & Shoreditch Profile: Where are tech businesses locating?



START-UP HUBS

- Accelerators
- Coworking
- Incubators
- Serviced offices



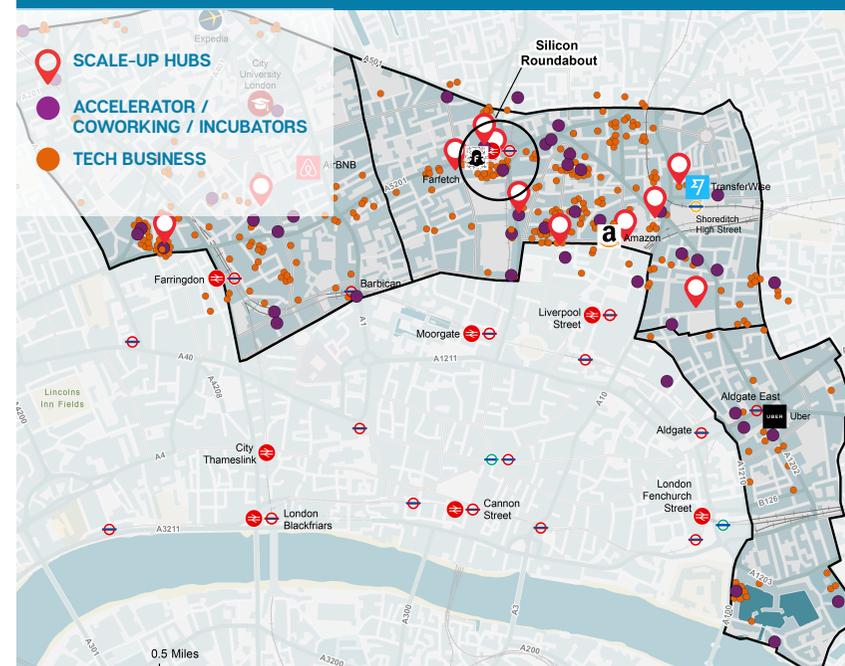
SCALE-UP HUBS

- The White Collar Factory
- The Tea Building
- Principal Place
- Herbal House
- London Fruit & Wool Exchange
- The Epworth
- The Stage
- The Bower
- 160 Old Street
- BeWilson
- 1 Aylesbury Street

GIANTS & UNICORNS

- Amazon
- Airbnb
- Expedia
- TransferWise
- Farfetch
- Uber

Distribution of tech businesses ⁽⁴⁾



64% of tech companies say that access to commercial property is a benefit of the Greater London cluster ⁽²⁾



Current property conditions (Shoreditch) ⁽⁴⁾



RED = Conditions favour landlords

AMBER = Conditions are balanced

GREEN = Conditions favour tech firms

Shoreditch is the spiritual home of the UK's new tech sector. The area developed organically by accommodating start-ups seeking affordable, non-traditional floorspace close to the City of London. Today it has matured into a complex tech ecosystem highly desirable to businesses and talent. Companies must now pay a premium to access offices here and the market is competitive. Note that a red traffic light means only that conditions favour landlords. It does not mean that businesses should not look to move, upgrade or expand their offices. It means that more forward-planning and negotiation may be needed to get the best deal.

MOST NEW OFFICES ALREADY TAKEN BY THE TIME THEY COMPLETE



OFFICE VACANCY RATE
3.7%



TOP QUALITY OFFICE VACANCY RATE
0.0%



Conditions are competitive for occupiers and are likely to remain so.

AVAILABILITY OF OFFICES HAS EXPANDED BUT NOT FOR ALL TYPES OF SPACE

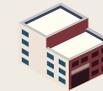


ANNUAL CHANGE IN VACANT OFFICE SPACE
-8%



More new office floorspace has been made available to businesses over the last year meaning that choice has grown overall. This is however largely for shiny new offices rather than the industrial-style, more affordable space many smaller companies want.

HIGH COST REFLECTS CLUSTER STRENGTH



PRIME OFFICE RENTS
£70

Per square foot per annum



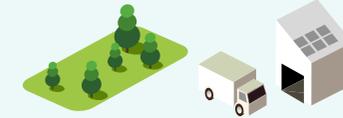
ANNUAL INCREASE
+3.6%

Forecast to December 2017



The rates revaluation this year is likely to more than double business rates in Shoreditch which will further increase costs for businesses.

CHOICE IS GROWING BUT NOT FOR SMALL OCCUPIERS



A large amount of office development is underway in Shoreditch which will sustain headline business locational choice. Seven schemes are due to complete within the next two years. These schemes are focused on premium mid-sized floorspace rather than being of the size, price-point and 'feel' most desired by smaller fledgling businesses. This helps to explain the continuing expansion of coworking models in the cluster. Given the weight of interest in this area and a lack of smaller, non-traditional offices, occupiers may need to plan for their real estate needs further in advance to secure the best space.

Six tech property trends



STARTUPS ON THE UP

Small businesses are driving growth and account for 98% of all tech firms (5)



OPTIMISATION

Businesses are seeking efficiency by accommodating more workers in less, but more flexible, office floorspace



COWORKING

Tech firms seeking flexible, cost certain space quickly are fuelling the emergence of new office models



RISING STARS

Infrastructure investment and developments are creating new tech cluster possibilities



CONNECTIVITY

Broadband is the fourth utility and influences the location decisions of tech firms



WHAT BREXIT?

Headquarter commitments by Apple and Google confirm London's role as a preeminent global tech cluster

What will it cost you? ⁽⁶⁾

COSTS IN SHOREDITCH

AVERAGE SALARY

£49,369



OFFICE RENT / RATES

£11,551

ALL IN COST

£60,919

As the UK's highest profile and densest tech hub businesses must pay a premium to access talent and property here. But taking office space in this location allows businesses access to the multiple benefits that this globally leading tech ecosystem has to offer.

REFERENCES: (1) Oxford Economics, (2) Tech City UK, (3) TechBritain, (4) JLL, (5) Disruptive demand – Tech and media in London, JLL, (6) UK Cost Calculator, JLL

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