

LONDON: CONSTRUCTION IN A GROWING WORLD CITY

Economic and population growth, the 2012 Games, and a major transport infrastructure investment programme is driving London's construction sector.

London's construction output is expected to grow at an average annual rate of 6.6% to 2011, faster than any other region in the UK.

- A growing world city - by 2016 London's population will increase by 700,000. To accommodate this growth the Mayor of London has targets for 31,000 new homes to be built each year to 2017.
- London's changing skyline - a series of high-rise buildings worth \$190 billion are under-construction or planned for London: Shard London Bridge, the Pinnacle, Heron Tower, the Leadenhall Building, and Broadgate Tower will be at least 165 metres or 35 floors tall.
- 2012 Games: The 587 acre Olympic Park is part of the largest regeneration project in Europe. Spearheaded by the Olympics and Stratford City, London is expanding eastwards into the Thames Gateway.

- London is moving East: East London is the Mayor's priority area for development, regeneration and infrastructure improvement. It has many of the capital's largest development sites with the capacity for at least 104,000 additional homes and 249,000 jobs up by 2016.

- The Thames Gateway Forum: With £40bn worth of private investment expected over the next two to three decades, the annual Thames Gateway Forum at ExCeL attracts over 7,000 delegates and 255 exhibitors from London's construction and development industry.

- This all comes with a commitment to make London a more attractive, well-designed and green city. The Mayor of London's vision is to develop London as an exemplary, sustainable world city with high standards for energy efficiency and sustainable design.

With all this development activity in London, the capital is the natural choice for companies in all sub-sectors of the construction industry and allied professions.

London's construction sector

- Construction represents around 5% of London's economy or \$15 billion and employs 200,000 people. Construction output has risen sharply since the early 1990s and the construction sector in London produces about 16% of total output in the UK.
- London's construction sector is underpinned by a strong property market for both commercial and residential sectors.
- UK and international property investors and developers are highly concentrated in London where they can access finance and expert professional services firms such as engineers, planners, and architects.

Demand for commercial space

- Driven by London's strong economic performance underlying demand for the construction of new office space in London is strong. London's construction sector accounts for 28% of all private commercial construction in the UK.
- London's workforce is expected to grow by 600,000 between 2001 and 2016, adding to the 600,000 jobs gained between 1993 and 2001.
- Between the City of London and Canary Wharf 6.4 million sq ft of new or refurbished office space is due for completion by the end of 2009.

- Over the past 10 years about 20 million square feet of office space has been created in the City of London and an additional 18 million square feet is planned.
- Given the growth in consumer spending in London, an additional 1.5 million sq ft of retail floor space will be required by 2016.

Residential development

- London is growing faster than any other European city – with around a million additional households projected over the next twenty years.
- The Mayor of London's Housing Strategy aims to increase the supply of new homes in London as well as addressing affordability. As a result, London welcomes new design concepts and construction techniques using modular components and sustainable building products.
- A large number of these proposed new homes are on big strategic developments many of which are in east London, including the Lower Lea Valley, the Royal Docks, London Riverside, Barking Reach, Deptford Creek and the Greenwich Peninsula.

2012 Games

- Constructing the venues and putting the necessary infrastructure in place for the 2012 Games is a massive undertaking. Some 2,000 direct contracts will be awarded by the Olympic

Delivery Authority with thousands of opportunities across the wider supply chain.

- The Olympic Delivery Authority is following a 2-4-1 formula for the Olympic Park construction programme. The first two years between 2005 and 2007 focused on preparing the site for the four year build phase (mid-2007 to 2010) when the main venues will be constructed. During the final year of the programme in 2011, the final commissioning and overlay for the venues and infrastructure will be completed allowing test events to stages in preparation for the Games.

Infrastructure & regeneration projects

- With major construction and regeneration projects throughout the capital, London is investing heavily in infrastructure.
- This includes projects such as the massive new Terminal 5 at Heathrow, Wembley Stadium, and St Pancras Station as the terminus for the highspeed Channel Tunnel Rail Link.
- The British government recently announced that Crossrail will go ahead. The \$30 billion rail line will go from Maidenhead and Heathrow in the west right across the capital (via the City and Canary Wharf) into Essex and Kent in the east. Crossrail will make travelling in the area easier and quicker and reduce crowding on London's transport network. The project is expected to be completed by 2017.

- The East London Line extension which will be completed by June 2010 will link Dalston Junction in the north to New Cross, Crystal Palace and West Croydon in the south. A further project will extend the line to Highbury and Islington by 2011. The line will form part of the wider London Overground orbital network.

- Docklands Light Railway (DLR) - By 2010 the Stratford International extension will join the Channel Tunnel Rail Link station at Stratford City and Olympic Park with the growing DLR network.

London talent

- Construction employs 200,000 people in London. In addition, there are 14,000 students studying subjects linked to the built environment at London's universities.
- There are 55,000 people working in architecture and engineering in London.

Business support

- London offers access to the full-range of products and services that are essential to the construction sector, such as architects, quantity surveyors, civil engineers, professional and financial services, environmental consultancies, and lawyers.
- London is home to all of the major international property consultants including: Atis Real , Cushman & Wakefield, CB Richard Ellis, DTZ, Jones Lang Lasalle, and GVA Grimley.

- Notable civil engineers and architects in London include: Arup, Bechtel, Bouygues, Buro Happold, CH2M Hill, Halcrow, Foster & Partners, Richard Rogers, and HOK.

Connectivity and access to markets

- London's attractiveness as an international headquarters location ensures the perfect networking opportunities across the whole of the construction and property industry.
- London has the best international accessibility of any city worldwide and its location at the centre of the world's time zones makes it ideally placed for global business.

London property

- London offers a vast range of property, with a wide choice of price, architectural style and location. For the 15th year running, business leaders voted London Europe's best city for the availability of office space. For those operating internationally in this sector, a London address provides status and credibility.

Regulation and new opportunities

- The Mayor of London sets the planning framework for the city via the London Plan. This spatial development strategy encompasses and coordinates other strategies such as the Economic Development and Waste strategies.

- Planning policy in London emphasises sustainability and energy efficiency. The Mayor of London has put in place various policies to facilitate the use of onsite renewables and technologies to manage energy efficiency.

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