PROPERTY BID FULL YEAR REVIEW
OUR VISION

TO MAKE LONDON’S WEST END THE WORLD’S FIRST CHOICE FOR VISITORS, BUSINESSES AND INVESTORS
Globally competitive
Visas and Tax Free Shopping

PLACEMAKING & IMPROVED PUBLIC REALM
PUBLIC REALM PROJECTS

• Ensuring Oxford Street District Transformation delivers our vision and the needs of businesses

• Spearheading district-wide public realm improvements – advocating, funding & delivering – Crossrail Ready & Wifi

• Completing the Bond Street £10 million public realm improvements with robust management (Completion October 2018)

• Taking to implementation Hanover Square & West End Garden on Old Quebec Street

• Scoping future West End Gardens & Public Spaces; options for Oxford Street East, Oxford Circus, Mayfair & Cavendish Square
Globally competitive Visas and Tax Free Shopping

A NEW WEST END
CAMPAINING FOR BUSINESSES
• Responding to the draft London Plan, specifically for ORB to become a retail centre of International Status
• Persuading City Council for pro-growth policies & flexibility in retail/leisure sector
• Lobbying for fairer business rates in the West End; fundamental reform
• Campaigning for extended Chinese visas
• Calling for longer Sunday trading hours
• Preparing for Brexit
12 MONTH LIKE FOR LIKE SALES AND FOOTFALL

-15\%  -10\%  -5\%  0\%  5\%  10\%  15\%

Dec  Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov
YEAR TO DATE SALES

- Year to November sales up 1.6%, footfall down 0.6%

- **Year of two halves.** Strong H1 sales, with poor performance in H2

- Too early to tell December trend, mixed results filtering through

- In Q4, October & November sales were down 9.3% and 6.9%, respectively

- **43 new store openings** in 12 months to November on Oxford, Bond & Regent Street
ATTRACTING INVESTORS & INCREASING SPEND
INWARD INVESTMENT

• Promoting the West End as the first choice for businesses and investors across the globe – Digital & Insights

• Profiling West End at major industry conferences such as MAPIC, MIPIM, ICSC, G Festival, World Retail Congress

• Destination & Membership visits in the USA, Tokyo & China

• Our international coverage reached over 43 million people worldwide value £5m
Should we acquiesce to the consensus?
UK ECONOMY – THE CONSENSUS?

OBR forecasts (Nov 2017)
- 2017 (1.5%)
- 2018 (1.4%)

FT survey of 100 leading economists (Dec 2017)
- Inflation to recede (base effects)
- Household squeeze to ease (real wage growth)
- Base rates to rise by 0.5% (normalisation?)
- GDP ≤ 1.5% (50 respondents)

GDP upside surprise (26th Jan 2017)?

Source: ONS, Q3 17

UK GDP COMPONENTS
- Household spending
- Government spending
- Investment
- Net exports
- Other

Source: ONS, Average weekly earnings growth, % y/y
UK ECONOMY – AN UPSIDE SURPRISE?

GDP 2017 REACHES 1.8%?

- PMI data (4th Jan 18) suggests Q4 17 growth of between 0.4% and 0.5%.
- GDP 2018 forecasts to be revised up?
- Improved business confidence (occupiers, landlords, investors and developers)?
- Not all roses . . .
- Also a UK regional component
- Domestic politics ‘Corbynomics’

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<th>PMI weighted average</th>
<th>GDP %q/q</th>
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<tbody>
<tr>
<td>OCT 2017</td>
<td>54.1</td>
<td>0.4%</td>
</tr>
<tr>
<td>NOV 2017</td>
<td>54.3</td>
<td>0.4%</td>
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<tr>
<td>DEC 2017</td>
<td>54.6</td>
<td>0.5%</td>
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UK ECONOMY – STERLING?

STERLING – A BIG ‘WHAT IF?’

- Brexit confidence and sterling reversion
- EU internal pressure and ‘caucusing’
- Sterling around 10 to 15% below long term equilibrium value
- Inflation weakens further?
- Oil price the big question mark?
- Sterling reversion has implications for UK property

EFFECTIVE EXCHANGE RATE INDICES

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<tr>
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<th>INDEX</th>
<th>PV COMPARISON</th>
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<tr>
<td>AUG 2015</td>
<td>93.01</td>
<td>- 16.4%</td>
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<tr>
<td>JUN 2016</td>
<td>84.51</td>
<td>- 8.0%</td>
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<tr>
<td>DEC 2017</td>
<td>77.75</td>
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Source: Bank of England, 1990 = 100
DOES THIS MATTER FOR THE WEST END?

COLLIERS INTERNATIONAL FORECASTS – KEY DRIVERS

• Retail rents – sterling, tourist spend
• Office rents – employment, local GDP

A SOFT LANDING?

• Minimal outward yield shift
• Stable rental profile
• Sterling reversion has implications for UK property

Central London retail performance

West End London office performance


Capital growth
Rental growth


Capital growth
Rental growth

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GLOBAL VISITORS & GLOBAL ECONOMICS

UK overseas visitors and spending

- Real earnings (£ billions)
- Visitor numbers (millions)

Source: ONS

Note: The diagram shows trends in UK overseas visitors and spending from 1987 to 2017, with key events such as Black Monday, Gulf War, Asian crisis, Foot & mouth, Sep 11th, London bombings, Lehmans, American storms, Brexit, Eyjafjallajokull volcano, and dot.com collapse marked on the graph.
DAN JOHNSON & CYNTHIA GRANT
HEAD OF PLACEMAKING & PROJECT DIRECTOR - NEW WEST END COMPANY
PLACEMAKING IN THE WEST END – PEOPLE AND PLACE

To make London’s West End the World’s first choice place for visitors, businesses and investors.

A positive experience of the West End as a coherent, well designed and exciting place contributes to our core purpose:

- To attract customers and clients to the West End,
- Keep them here longer
- Draw them back again
- and speak positively to others about it.

The experience of the West End as a place is shaped by the people using, delivering or managing it.
• Talented staff enhances the experience of visiting the West End
• **Expansion** of the free for members recruitment, screening and short listing candidates service
• Funding and delivery of intensive support, training and mentoring for homeless and long-term unemployed to help people get back into work
• Commercial Occupier & Property **Member programme** in 2018
DELIVERING BETTER STREET EXPERIENCE

Fund and deliver better street management services:

- Welcome Ambassadors (assisting visitors, local and global; over 20 languages spoken)
- Security Team (assist local security staff, Met Police with antisocial behaviour)
- Clean Team (baseline WCC – 30 minute janitorial service)
- District-wide wifi
- Working with WCC to achieve world-class street management as part of the Transformation of Oxford Street
DELIVERIES, WASTE AND RECYCLING CONSOLIDATION

- Currently, freight vehicles account for around one third of traffic in central London during the morning peak.
- About 30-60 per cent of deliveries to offices in central London are now for personal rather than business needs.
- Freight traffic in the central London morning peak is expected to increase by up to 10 per cent in the next ten years.
- To reduce freight, expansion district-wide of the Bond Street waste and recycling trial (90% fewer vehicles).
- Plan to use cleaner vehicles too.
CREATING NEW WEST END GARDENS

- A garden transferred to the West End in each of three years
- Old Quebec Street: June 2018
- Improving the district’s air quality
- Creating more green spaces and scoping out opportunities for the new use of public spaces
- Creating more space for pedestrians and garden spaces
BOND STREET
Make Bond Street the best luxury shopping & cultural district in the world

- Superlative quality public realm and local connections
- Capitalising on opening of Elizabeth Line in 2018
- Improved footways, servicing arrangements and management
- New lighting and public art
- Improved wayfinding, and access to F&B in side streets
- Completion: autumn 2018
HANOVER SQUARE

• Prioritise securing of final funding to restore the square and gardens
• Rationalise traffic around square and pedestrianise west side
• Create an impressive point of arrival to Bond Street, Oxford Street and Regent Street
• Celebration of local cultural heritage and enhancement of historic vistas
• Create a calm and beautiful green central oasis space for enjoyment by all
• Ensure adjacent feeder streets also benefit
RAMILLIES STREET & RAMILLIES PLACE

- Focus on Oxford Street east in 2018
- Create new sense of a place and new identity for the Ramillies area
- Create opportunities for external exhibition space for Photographers Gallery
- Make street more visible from Oxford Street and Gt Marlborough Street
- Declutter and revitalise
OXFORD STREET TRANSITION AND TRANSFORMATION

• Influencing good design and planning for Oxford Street
• Taking a district-wide approach
• Readiness research and advance planning for the Elizabeth Line
• Develop concepts for Oxford Street east and the wider district, including: Harewood Place, Holles Street, Cavendish Square and Ramilles
• Night time strategy and management
• Buildings illuminations strategy
• New Christmas lights – an international design competition and heightened ambition
FESTIVE LIGHTS
Slides from Gerald Eve will be circulated on request only. Please contact jessica.pearn@newwestend.com
THANK YOU
IF YOU HAVE ANY QUESTIONS PLEASE CONTACT US