London was ranked by TMT professionals as the world’s second most important TMT centre behind New York, but ahead of Los Angeles, Paris, Hong Kong, Berlin and the Silicon Valley, according to new research conducted by BNP Paribas Real Estate (BNPPRE), the leading property adviser.

BNPPRE commissioned independent consultancy Meridian West to interview more than 100 senior real estate decision makers within Greater London from technology, media and telecommunications (TMT) companies. The sample comprised a cross section of company types, reflective of the diverse range of organisations within the sector, varying from start-ups to more mature organisations.

The research revealed that the sector is set to grow; with 54% of TMT firms surveyed expecting to increase headcount in London over the next three years, which translates to an additional 1.2m sq ft of demand above what the sector’s current average take-up through churn – equivalent to two Shard Towers (the iconic London building). In total, BNPPRE forecasts TMT sector office take-up to reach 4.65m sq ft by the end of 2014 - equivalent to eight Shards.

Over the next 12 months 70% of London TMT survey participants plan to grow revenue, on average by 25%. Over the next three years 72% plan to grow revenue, on average by 44% over this period. Small start-up TMT firms in London are predicting the most growth. More than half of London TMT firms expect to increase London headcount by a one third, with the majority of this growth expected to be driven by organic change (89%).

Currently, UK government is supporting the drive for London to become the top TMT global location, with firms like Amazon having already confirmed this by choosing the capital as its HQ for development and technology at a building in Glasshouse Yard, leased by BNPPRE.

Dan Bayley, MD of Central London at BNP Paribas Real Estate, commented: “The predicted growth of the sector is good news for London, as TMT steps up to fill part of the gap left by financial services firms. Although, unlike the financial services sector which was centred around
the City, TMT companies do not have one preferred location, so the entire Central London property market stands to gain from this increase."

Paul Henwood of BNP Paribas Real Estate’s investment team said: “The predicted growth of the TMT sector provides a positive occupational backdrop to the continued strength of the Central London investment market. The research shows how this key occupier group identifies with emerging locations such as King’s Cross, Southbank, Shoreditch and Stratford. There is a great opportunity for investors to look more seriously at these kinds of locations as well as the traditional core markets, but the entry price will be key factor to a successful outcome”.

Those interviewed represented: media & broadcasting 39%; marketing, advertising & PR 21%; software development 14%, publishing 10%, web-based services 6%, other 6%, telecoms 4%.

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About BNP Paribas Real Estate
BNP Paribas Real Estate, leading international real estate provider, offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management. BNP Paribas Real Estate has local expertise on a global scale through its presence in 36 countries through more than 150 offices and 3,400 employees (15 wholly owned subsidiaries and 21 by its alliance network, that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas.
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