David Herzog, TMT sector specialist and senior West End director at BNP Paribas Real Estate, provides the first in a new series of regular updates on the TMT sector in London:

“The technology, media and telecoms (TMT) talk of 2013 was centred on the big transactions, such as the Google Campus in King’s Cross, News UK’s acquisition of The Place at London Bridge Quarter, Publicis’ (Saatchi & Saatchi) pre-lettings of Turnmills and 40 Chancery Lane and Facebook’s relocation to Regents Place, as well as Twitter’s business growth being so rapid that it put its new offices on the market before it had a chance to start the fit out and has now acquired space at AirW1.

Forecasts for the year ahead appear to show a continuation of this success story, especially with some significant mergers in the media sector forecasted to complete and Amazon’s unrelenting hunt for office space.

What I find particularly interesting though, is the growing number of technology start-ups driven by businesses from the Silicon Valley coming to London to set up their European Headquarters, in order to benefit from the improved economic climate and our time zone. London is also able to offer a talent pool that no other European city can compete with and a Government that is keen to work more closely with this sector that is bursting with entrepreneurs and creative minds.

Generally speaking, the TMT sector has been locating itself east from the West End, with the exception of Facebook and Twitter. The City fringe continues to appeal to new start-ups and 2014 sees work start on site at Derwent London’s White Collar Factory, which will mean that the larger occupiers will now be able to see the fringe as a viable location that they can move to come 2016.

In 2012, we forecasted that TMT sector demand for London office space will reach 4.65m sq ft by the end of 2014 - equivalent to eight Shards, and half of the total average take up in London per year. Looking at the figures from last year, this prediction is set to be true, as the sector continued to be one of the most active, with above average size deals ensuring it accounted for 34% of all Central London activity in 2013.

Over on the Southbank, the largest ever media leasing deal took place with News UK’s 430,000 sq ft deal, which led to take-up reaching 1.45 m sq ft, its highest level since 2007. The sector also continued to be one of the most active in the West End, with large deals by high-profile names ensuring it accounted for 22% of all take up in this market.”
About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers 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 40 countries with more than 180 offices and 3,300 employees (18 wholly owned and 22 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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