

One Thames Quay:

A guide to Canary Wharf

JLL Residential Research Report | May 2023





CANARY WHARF

Conceived in the early 1980s as a predominantly commercial district, the estate's residential offering has grown rapidly over the last 40 years. Canary Wharf is now a residential destination in its own right, with residents seeking out the modern, high amenity lifestyle on offer.

It is no coincidence that Tower Hamlet's economy has grown by almost four times the rate of the rest of London; in 2018, companies based at Canary Wharf accounted for 73% of Tower Hamlets' total GVA.

The development of the Docklands began in 1981 with the setting up of the London Docklands Development Corporation (LDDC), a quango with sweeping powers and the responsibility for regenerating an area of 8.5 square miles. This hugely successful urban renewal programme saw the development of London City Airport, the Excel Exhibition Centre, the Docklands Light Railway and, the jewel in the crown, Canary Wharf.

It is widely regarded as an exemplar for large-scale regeneration. Today Canary Wharf is a prime London location and sought-after place to live and work, with landmark skyscrapers, high-spec apartments.

A NEW CITY IN THE EAST

The rise of East London can be traced back to the London Docklands Development Corporation (LDDC), which oversaw the regeneration of an area covering 8.5 square miles. From London City Airport to the Excel Exhibition Centre, the Docklands Light Railway to the jewel in the crown, Canary Wharf, this program has been hailed as a model of large-scale urban renewal.

Today, Canary Wharf is a prime location, and One Thames Quay is proud to offer luxury apartments that fit perfectly into this iconic skyline. With its landmark skyscrapers and high-spec apartments, One Thames Quay is the perfect choice for those seeking a modern, cosmopolitan lifestyle in one of London's most sought-after areas.





Over the last 25 years:

More than
15 million
square feet of office space
has been built.

Over 300
shops, bars, restaurants,
services, and amenities have
been developed (c.1m sq ft).

20 acres
of parks, gardens, and
squares have been created.

WOOD WHARF

Wood Wharf is London's new hub for entrepreneurial activity, with up to 5 million square foot of high quality new homes, office, retail and community space, as well as 4,000 new homes and 9 acres of beautifully designed waterfront walkways and gardens. At 23 acres, Wood Wharf is currently under construction but will create 20,000 new tech and creative jobs representing GVA of £2bn.

CGI of One Thames Quay is indicative only.



What does the regeneration mean for One Thames Quay buyers?

Residents of One Thames Quay will **benefit from the rising house prices** of an up-and-coming area.

At just a **4-minute walk away**, residents of One Thames Quay will be able to enjoy access to Wood Wharf's exciting range of amenities and workspaces appealing to entrepreneurs, professionals, and families alike.

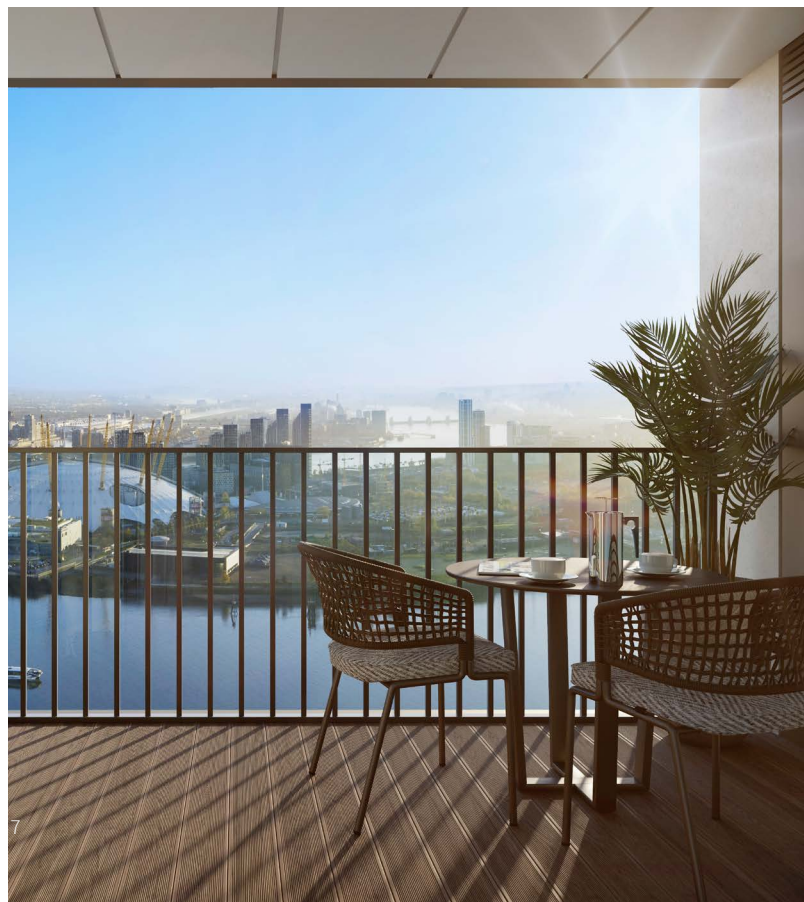
Strong rental demand is also expected in the coming years due to the number of workers coming to Wood Wharf and surrounding areas.

9 acres

of interconnected waterside walkways and gardens.

5 million

square foot of office, retail and education space.



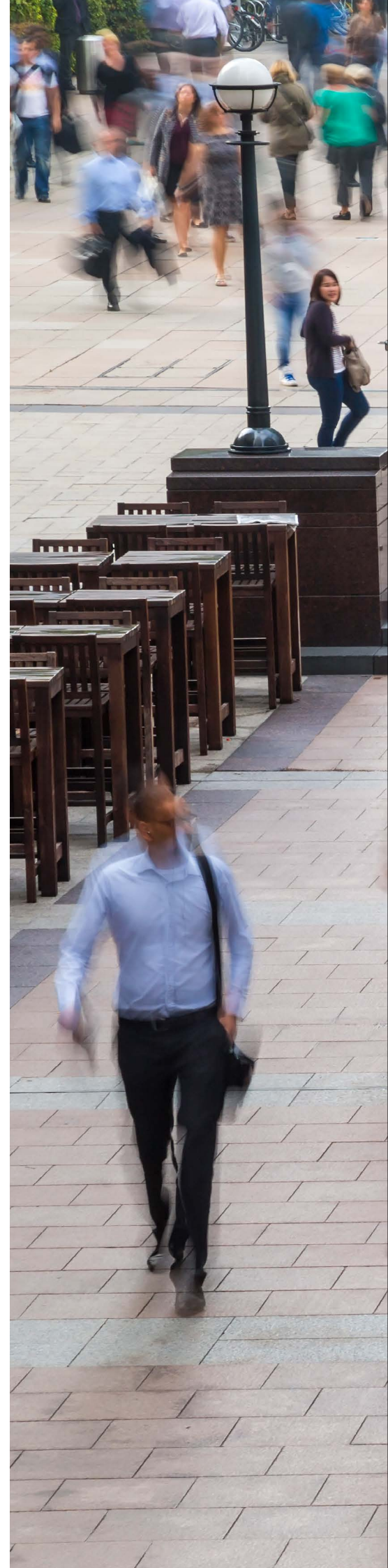
EMPLOYMENT IN CANARY WHARF

LEADER IN THE BUSINESS OF TODAY AND TOMORROW

Canary Wharf is the second largest financial district in the UK second only to the City of London. Canary Wharf also has a diversified employment mix with major tenants in the areas of law, telecom, media, energy and technology.

Canary Wharf is home to 16 million sq ft of office and retail space, 30 office buildings attracting 120,000 daily workers, with a further development pipeline of 5 million sq ft of office space planned.

As businesses office requirements change, Canary Wharf has been quick to adapt. Canary Wharf is positioning itself at the centre of the Life Sciences revolution. Life Sciences businesses are considered more resilient to changes in tenant demand and hybrid working as the work often cannot be carried out outside of a laboratory. Canary Wharf Group is planning to build an 823,000 square foot 23 floor tower, which will contain laboratories and workspaces. This is set to be the largest and most advanced life sciences facility in Europe. Canary Wharf is also home to many med tech start-ups located in its Level 39 tech hub and cutting-edge life science businesses such as Genomics England which has relocated its headquarters to One Canada Square.



Today there are over 150 office tenants in Canary Wharf, including:

American Express



Barclays



BP



Deutsche Bank



HSBC



J.P Morgan



BNP Paribas

Although most businesses are in the financial or fin-tech sectors, this is diversifying fast and the ratio of financial to non-financial tenants is currently 55:45, compared to 70:30 a decade ago.

Demand continues to fuel new development and attract new tenants, and the 23 acre Wood Wharf currently under construction will create 20,000 new tech and creative jobs representing GVA of £2bn.

Recent large office transactions include:

Year	Address	Area (sq ft)	Tenant
2019	1&5 Bank Street E14	360,000	EBRD
2019	25 Churchill Place, E14	287,416	WeWork
2020	Cargo, 25 North Colonnade, E14	202,000	BP Plc
2018	5 Churchill Place, E14	129,078	BGC International
2018	25 Cabot Square, E14	112,985	Competition & Markets Authority
2022	40 Bank Street, E14	94,460	Citibank
2018	1 Canada Square, E14	81,344	The Office Group
2019	25 Cabot Square, E14	67,200	Spaces
2021	1&5 Bank Street E14	66,665	Apple
2021	1&5 Bank Street E14	66,665	Apple

A DESIRABLE PLACE TO LIVE

Canary Wharf also continues to grow in popularity as a place to live, with new residents attracted by its intoxicating mix of the old and the new, its unique riverside location, and its excellent connections to the City and West End. This is a truly unique neighbourhood, with traditional terraces alongside gleaming towers and timeless riverside pubs. In addition, new independent businesses complement the high-end and high street shops in the shopping mall, which are a short distance away from over 20 acres of parks, gardens and waterside promenades.

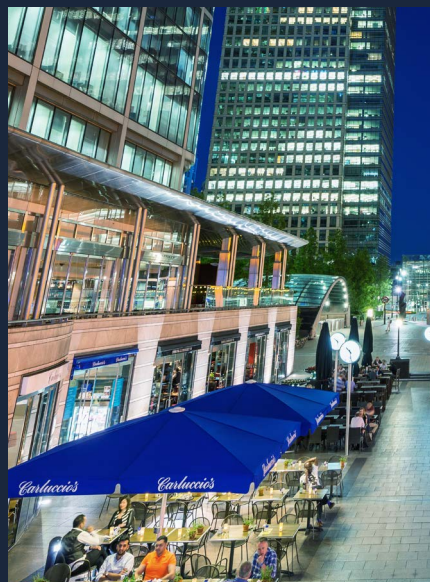
The population of Tower Hamlets has risen by **22.1%** between 2011 and 2021.

Since 2001 the number of households in Tower Hamlets has grown by

70% and the number of residential dwellings has grown by 61%.

There are eight residential developments with more than

500 units at Canary Wharf, and the largest of these has 1,150 units.



TRANSPORT

Canary Wharf is one of London's best-connected neighbourhoods. Canary Wharf boasts both Jubilee and Elizabeth line stations, the DLR, Uber boat and bus networks. Since the opening of the Elizabeth Line in April 2022 reduced journey times have added to the appeal of Canary Wharf as a residential location.

Areas with Elizabeth Line stations have already seen property prices outperform the rest of the capital, with the largest price growth premiums typically found along the eastern stretch of the line.

This outperformance is expected to continue, as increasing values and better connectivity attract owner-occupiers and tenants alike.

The Uber boat provides a picturesque alternative to travel across London, passing many of London's most iconic sights including the Houses of Parliament, London Eye and Battersea Power Station. From Canary Wharf, the boat runs every 10-20 minutes during the week, providing access to the City of London (Tower Bridge) in under 20 minutes and further west in around 30-40 minutes.



Great transport links

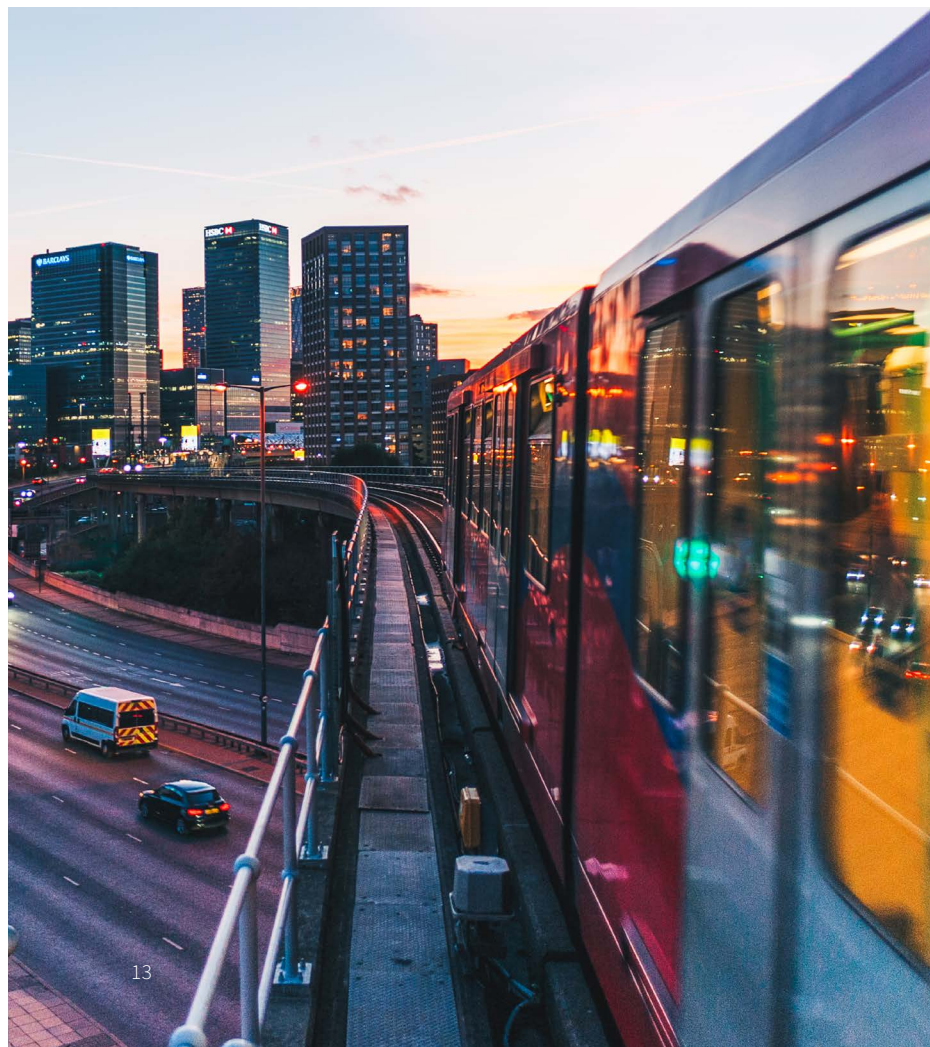
Connectivity is excellent, with a huge variety of public transport options, from overground and underground trains to bus and river bus services. Key transport links are:

Elizabeth Line

Jubilee Line

Docklands Light Railway (DLR)

Uber boat (river bus) / Thames Clipper





The new Elizabeth Line

Canary Wharf is on the new Elizabeth Line (formerly known as Crossrail). This recently opened train line has slashed journey times, with super-fast trains across the capital and to Heathrow Airport.

It has never been easier to reach Canary Wharf, and reduced journey times are adding to the appeal of Canary Wharf as a residential location. Areas with Elizabeth Line stations have already seen property prices outperform the rest of the capital, with the largest price growth premiums typically found along the eastern stretch of the line. This price growth is expected to continue as increasing values and better connections attract owner-occupiers, and strong tenant demand, high rents and capital gains attract investors.

Key journey times are:

7 mins

to Liverpool Street

9 mins

to Farringdon

12 mins

to Tottenham Court Road

18 mins

to Paddington

57 mins

to London Heathrow

Airport connections

Canary Wharf enjoys easy access to both London City Airport and Heathrow Airport. London City Airport is located just 3.5 miles to the east of Canary Wharf and can be reached in just 20 minutes on the DLR line, while London Heathrow can now be reached in under 40 minutes by the Elizabeth line.





The new South Dock Bridge

A new pedestrian bridge on Upper Bank Street Alignment will connect South Dock and Canary Wharf. Construction begins this year and is expected to complete by 2024. The bridge improves accessibility to the Jubilee Line, Elizabeth Line, and DLR, reducing walking distances for One Thames Quay residents to just under 10 minutes. Landscaping improvements are also planned to enhance the area.

Pedestrian and cycle friendly

For those who prefer to travel under their own steam, there are numerous paths and cycle routes from Canary Wharf to the City and West End. Bikes are easy to hire, with numerous Santander cycle racks across the Canary Wharf estate.



DEMOGRAPHICS

East London has become increasingly popular with younger people and families over the past few years. Home to some of London's coolest areas, from the edgy streets of Shoreditch and Hackney to the more refined and polished Canary Wharf, there is an abundance of pop-up restaurants, street food stalls and bars, creating a vibrant nightlife. Improved affordability in comparison to other areas of London is also a major draw.

The lifestyle benefits of living at Canary Wharf attract a young demographic. Tower Hamlets is the youngest borough in London, with a median age of 30. Across the Canary Wharf area, 62% of residents are aged under 35.

More Londoners are moving east, with the fastest growing boroughs to the east of the city. Tower Hamlets has seen the largest population increase of any London borough over the past ten years of 22.1% (2011-2021). Combining Tower Hamlets with the neighbouring Newham shows growth in the number of residents of almost 100,000 (99,320), over the same ten-year period.

Almost half of residents across Canary Wharf are privately renting (45%), considerably higher than the Greater London average of 30%.

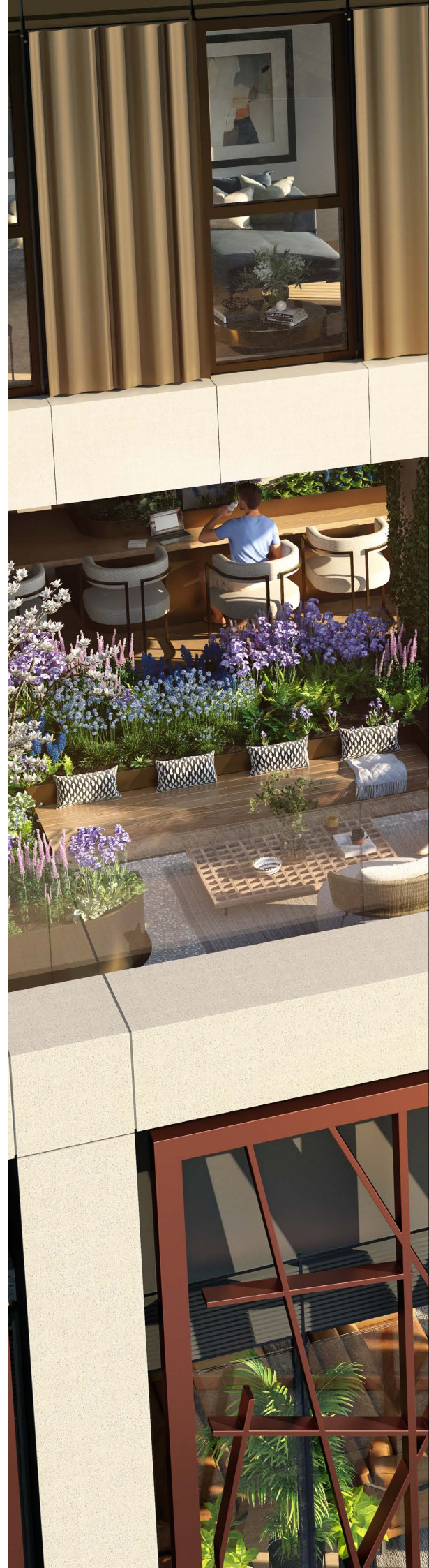
JLL Tenants Demographics

49%

of our tenants in East London were aged 25-35. (March'22 – March'23)

24%

of our tenants across East London are students.





CGI of One Thames Quay is indicative only.

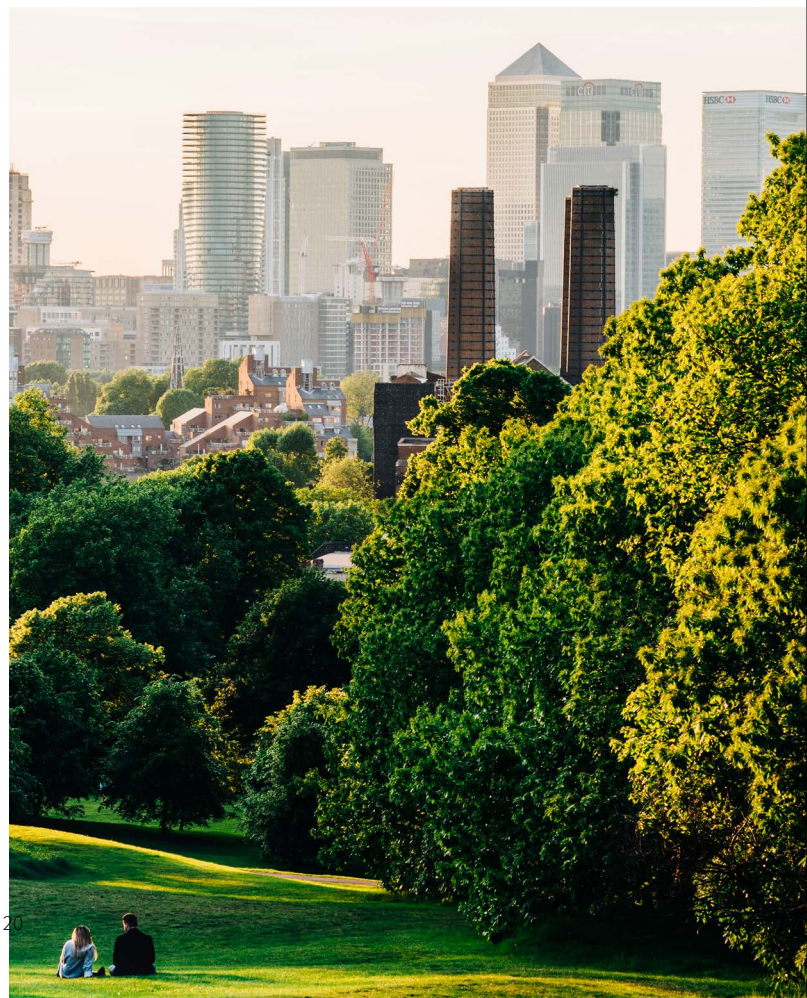
LIFESTYLE AND LIVING PRIORITIES

Living priorities have shifted over the past couple of years. Residents are favouring areas offering a strong community feel. Close to public open green space, restaurants and pubs, without compromising on public transport options.

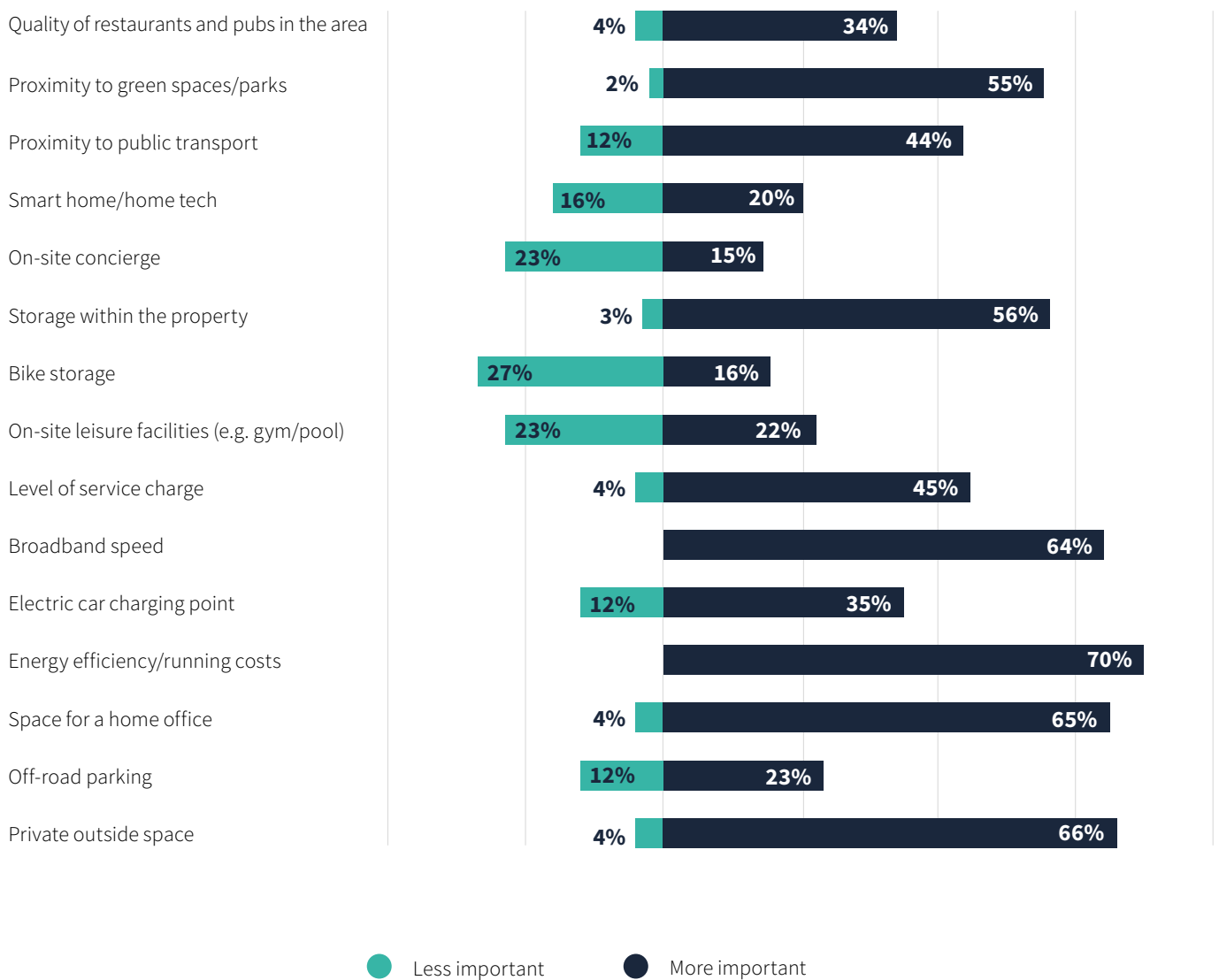
Energy efficiency is becoming ever more important to residents as energy bills rise and the cost-of-living crisis puts a squeeze on many household incomes. New homes offer improved energy efficiency compared to second-hand homes. Analysis of EPC ratings for UK homes shows 83% of new build properties boast

an EPC rating of A or B, versus just 3% for existing stock. One Thames Quay has been designed with green living in mind. Energy systems independent from fossil fuel use, triple glazed windows and rainwater harvesting features are a few elements of which have been integrated.

Residents at Canary Wharf benefit from proximity to green open space. Mile End Park is less than 20 minutes' walk, whilst Greenwich Park can be accessed in 15 minutes via the DLR.



If you were looking to move home now, how important would you consider the following aspects for a home, versus pre-pandemic?



EDUCATION

London has more highly rated universities than any other world city. The number of international students studying across London has increased by 48% over the past five years. Searches for a home from overseas students, are often convenience led. New, modern apartments are typically favoured, either within walking distance to the chosen university or within

close proximity to transport links. Canary Wharf is often a hotspot for overseas students. Canary Wharf is located within 30 minutes from some of the UK's, and indeed London's best universities. Across the E14 and E16 postcode sectors, 34% of our tenants over the past year are students.

London hosts over **507,000** students, **179,425** of which are non-UK students.

London has a graduate retention rate of **47%**

Number of international students studying across London increased by **48%** over past five years.

Key journey times from Canary Wharf:

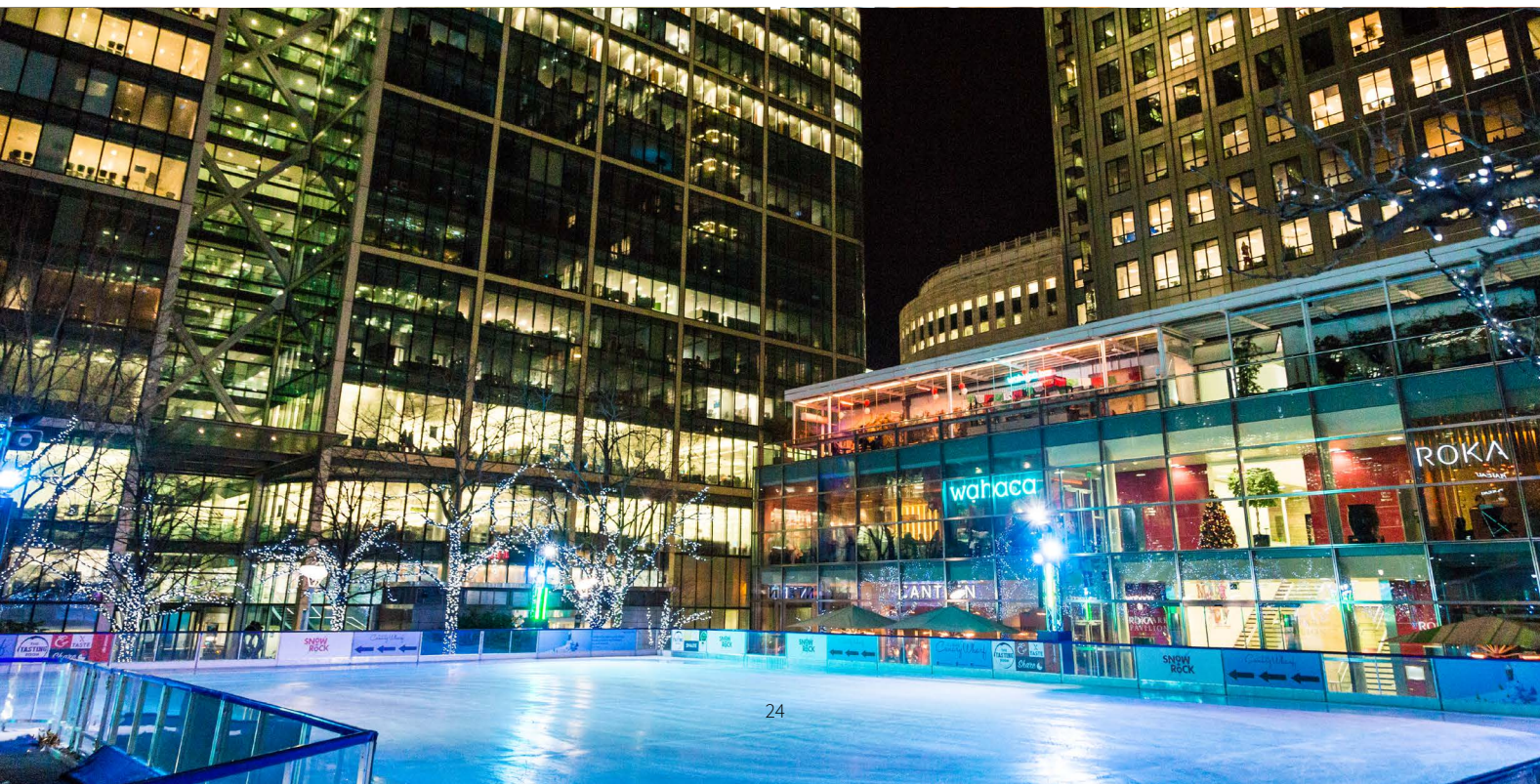
- By foot  **14 mins** to UCL Canary Wharf
- By DLR  **15 mins** to University of Greenwich
- By bus  **18 mins** to Queen Mary University of London
- By tube  **25 mins** to University College London (UCL)
- By tube  **30 mins** to Imperial College and King's College London



DESTINATION CANARY WHARF

Within East London, Canary Wharf is a fantastic place to live, work, and play, as an increasing number of businesses, residents and visitors are discovering. Tower Hamlets is a young, fast-growing borough; over the next decade the population is expected to grow by 12% and the number of households by 21%. The area is increasingly seen as a leisure and entertainment destination, with an increasing number of weekend visitors attracted by its many amenities, which include 125 different cafes, bars, and restaurants.

Canary Wharf is also known for its lively social calendar that offers a variety of events throughout the year, including family-friendly activities such as food markets, movie nights, sports screenings, and boat races. In addition, the famous festival of lights, an award-winning immersive exhibition, brightens up Canary Wharf every January, making it a must-see event.





As Canary Wharf becomes ever more popular, the demand for homes to rent and to buy will continue to grow. The increase in new build rental stock in recent years means that more and more renters have lived in a new, purpose-built apartment rather than a period conversion, and have come to appreciate the benefits of new properties over older homes. These include better insulation (and lower energy bills), fewer costly maintenance worries, and better on-site amenities such as a concierge, gym, residents' lounge/cinema.

When these renters buy their first home they increasingly choose a new property. This trend was fuelled by the Help to Buy scheme, which facilitated buying new homes with a lower deposit. With demand for high quality well-insulated properties with low maintenance needs likely to continue to grow in these times of high fuel prices and rising materials and labour costs, the future popularity of new build developments seems assured.

5 REASONS TO INVEST AT ONE THAMES QUAY

1 2 3

VIEWS

With its impressive tower design, One Thames Quay provides breathtaking 360-degree views of London that are truly unique. All apartments benefit from stunning vistas, including the choice of Canary Wharf, the River Thames, the O2, Greenwich, or beyond, making for an unparalleled experience.

HIGH SPECIFICATION

The apartments at One Thames Quay have been crafted with utmost attention to detail, aiming to provide residents with a luxurious living experience. The design incorporates top-quality materials and features, and every aspect has been carefully considered to ensure functionality and comfort.

AMENITIES FOR ALL RESIDENTS TO ENJOY

Residents of One Thames Quay can expect to enjoy exceptional amenities, including Canary Wharf's first-ever bowling alley. The spaces within the building have been thoughtfully designed to cater to the needs and preferences of residents, while also ensuring that everyone can appreciate the stunning views of Canary Wharf and the surrounding area.



YIELDS

JLL anticipates that One Thames Quay will achieve outstanding rental values due to the consistent demand for tenants in Canary Wharf and the exceptional lifestyle amenities offered at One Thames Quay.

CAPITAL APPRECIATION

Due to the ongoing increase in demand for housing in Canary Wharf, we anticipate a substantial growth in house prices over the next five years.

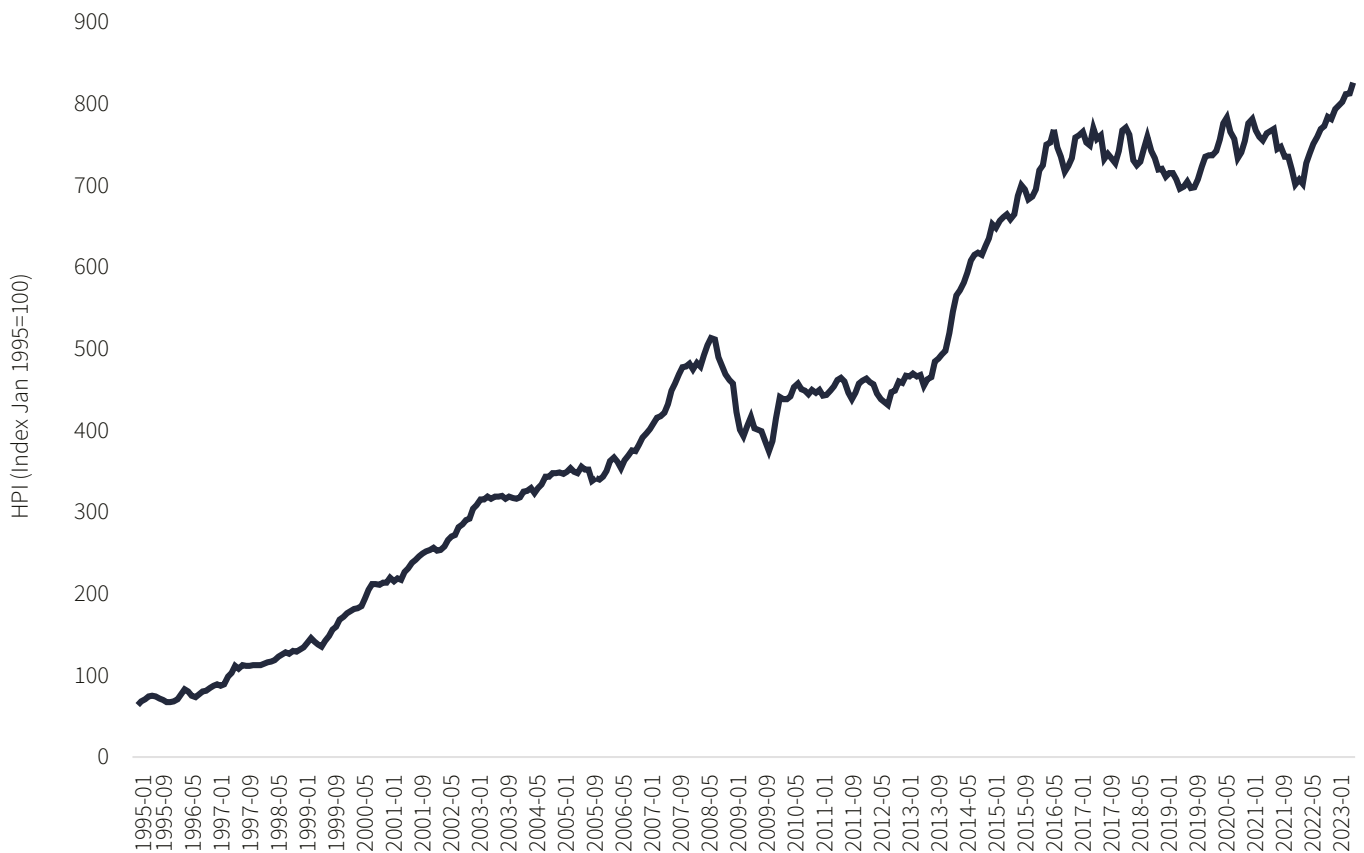


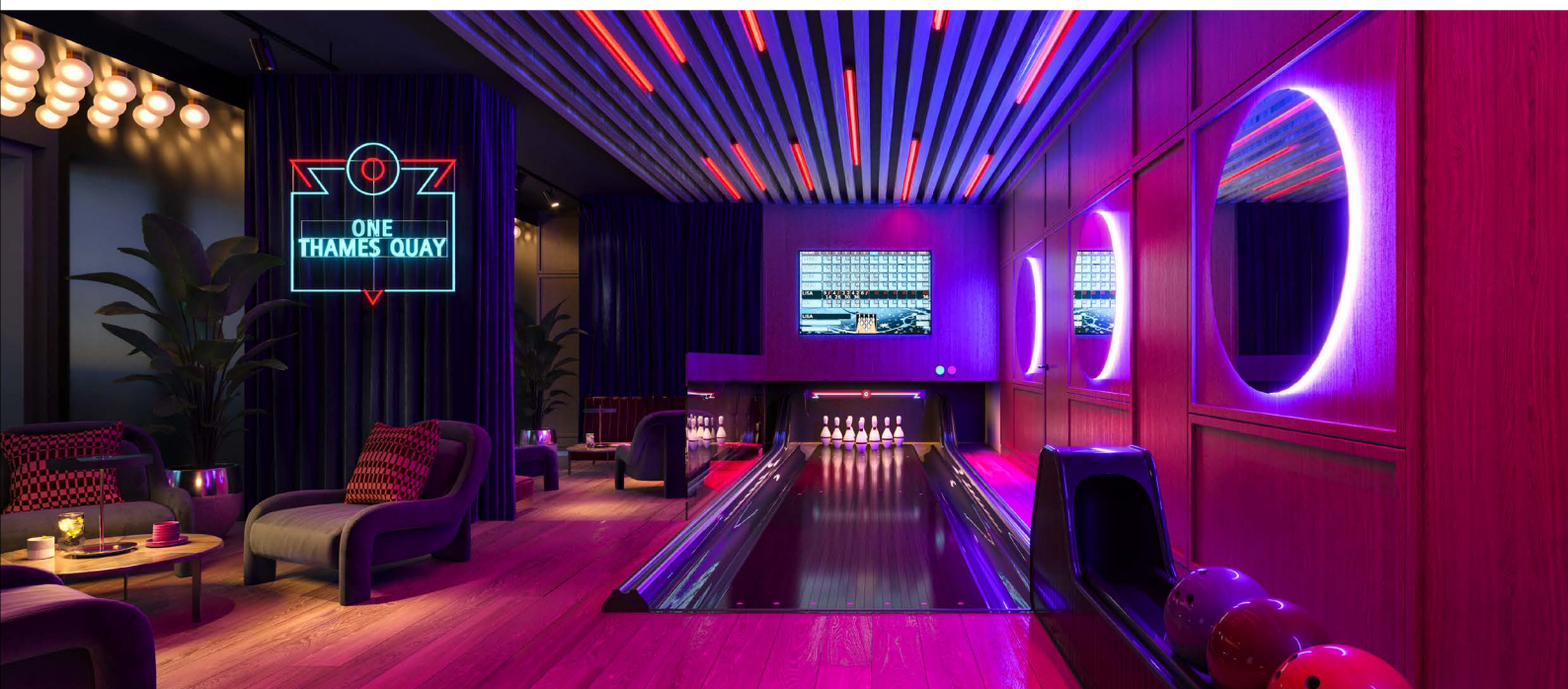
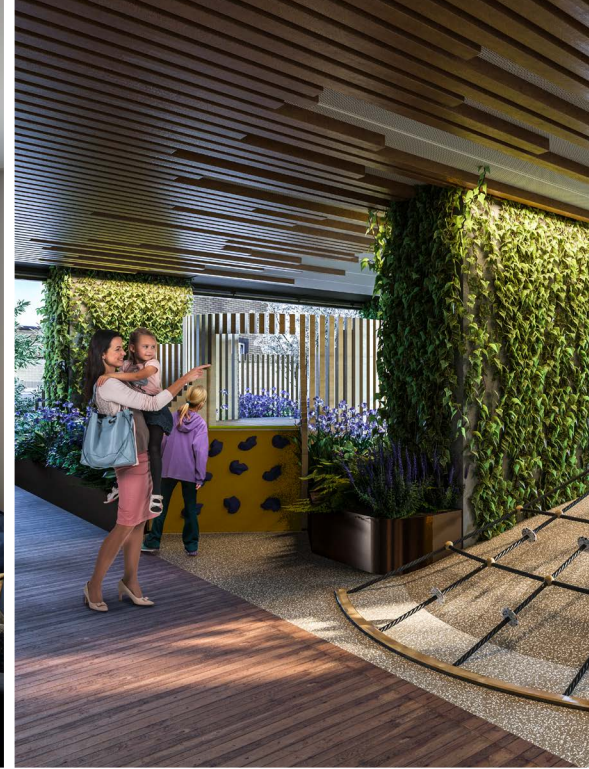
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HOUSE PRICE GROWTH

House prices in Tower Hamlets have seen sustained growth over the last decade. Even when prices have fallen, this has been relatively short lived and the market has tended to bounce back quickly. Over the last two years the market has been particularly resilient, with house prices and rental values now higher than they were pre-pandemic.

Prices in Tower Hamlets have risen significantly





SALES MARKET

4.4%

Annual growth (Q1 23 vs Q1 22) in average price of new homes reserved in Canary Wharf.

18%

Annual increase in average £psf of new homes reservations – Q1 23 vs. Q1 22.

14%

Five-year growth in average prices across E14 postcode sector (all properties) (2022 vs. 2017).

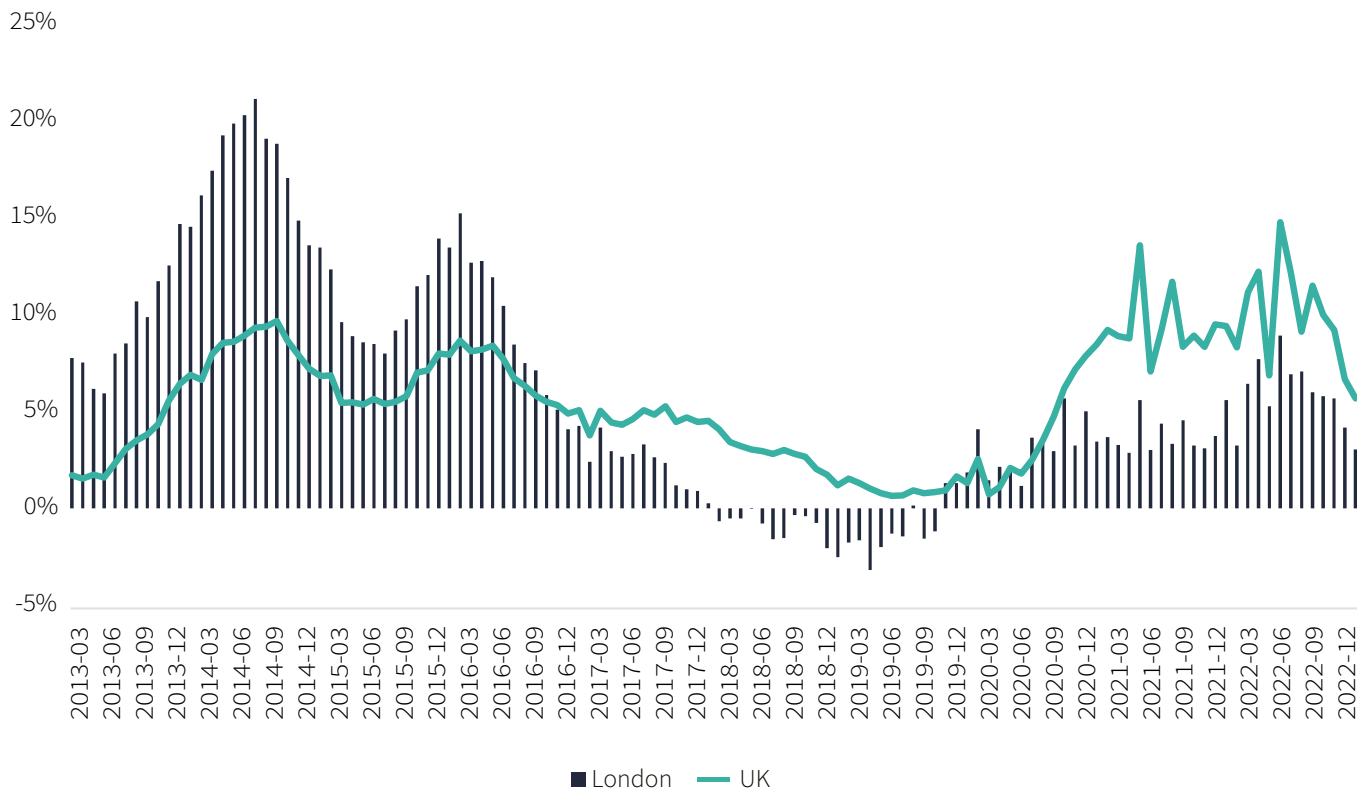
+49%

New homes reservations in E14 up 49% during 2022 compared to the 10-year average.

The sales market across Canary Wharf has been strong over the past 18 months, with average £psf growth in new homes values of 18%. Continued strong demand for new homes across London has underpinned prices in the capital. The new and improved transport links at Canary Wharf with the Elizabeth line have added to the areas attractiveness, and we expect prices to continue to rise as a result.

LONDON REMAINS A SAFE HAVEN INVESTMENT

Annual change in prices



House prices have risen significantly over the past two years in London. There is a growing shortage of homes in the capital, and this has underpinned house prices.

The market has shown resilience in times of economic uncertainty, with growth in prices bouncing back quickly after short downturns.

RENTAL MARKET

21.5%

Annual growth in rents.

34%

Five-year growth in rents.

The demographic is relatively young:

62%

of residents are aged under 35.

24%

of tenants across East London are students.

41%

of JLL student tenants moved to Canary Wharf from overseas.

Rental growth - Canary Wharf

	All	Flats
1 year	21.5%	21.7%
5 year	34.0%	34.9%

Source: Dataloft

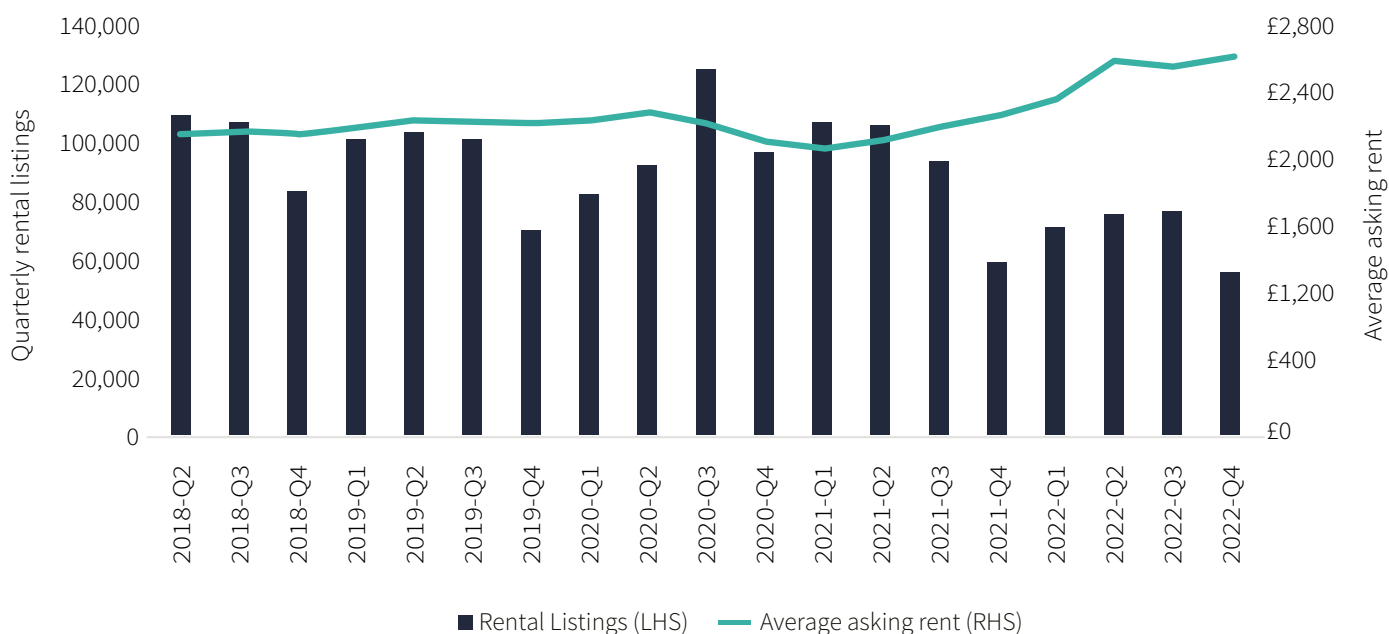
Canary Wharf remains popular with renters, and increased demand is fuelling growth in rents. Rents in Canary Wharf average £2,120pcm, a 21.5% annual increase. Demand for rental properties in Canary Wharf remains strong, with the number of prospective tenants registering up 18% in the last 12 months. Rents are rising for both high specification apartments in new developments and for existing stock.

Canary Wharf is one of the most sought-after locations in London for overseas students. Having great transport links and being within proximity to world class universities, provides a convenient base. Across the E14 and E16 postcode sectors, 34% of our tenants over the past year are students.

The area attracts a young rental demographic; over the past year (March'22 – March'23) – 49% of our tenants in East London were aged 25-35.

Across London as whole, the rental market remains competitive. There is a real shortage of quality rental homes on the market, contrasting against increasing demand for rental homes. We expect people to remain in the rental sector for longer, as cost of living pressures make it harder for first time buyers to get onto the property ladder. Annual rental growth in London is at 11.8%, with average rents on new lets reaching £1,979 March 2023.

Demand for London rental properties outpaces supply



Source: Rightmove / JLL

FORECASTS

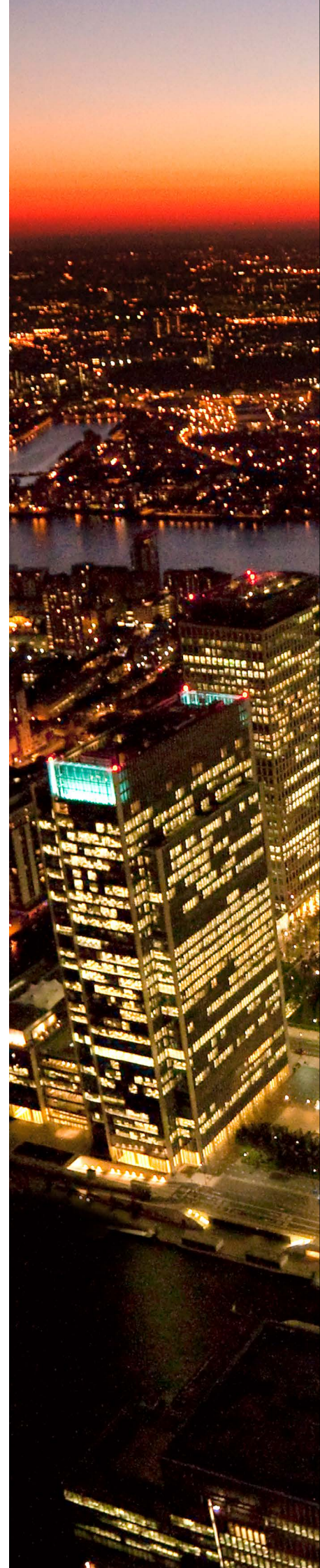
The centre of London has shifted eastwards over the last two decades, with the East End taking over from the West End as the epitome of all that is cool, creative and exciting about the capital. Key improvements in transport infrastructure, notably the building of the DLR and the new eastern Overground train line also played a huge role. We can expect this shift to continue, fuelled by developments such as the new Elizabeth Line, and by the ongoing success and growth of Canary Wharf as a major commercial and residential hub and a magnet for investment for new businesses, investors and residents.

As East London has increased in popularity there has been a migration of professionals from the west to the east. Whilst perhaps initially attracted by lower property prices, these renters and buyers have chosen to stay even as prices have increased. Such individuals are attracted to the metropolitan neighbourhoods with great housing entrepreneurial buzz. Stock (old and new), excellent transport links, world-class

amenities such as the Olympic Park), and a constant creative and entrepreneurial buzz.

The persistent lack of quality rental housing is an ongoing issue for the UK, highlighted by recent rental growth and students and renters struggling to find accommodation. We expect that prospective buyers, as well as those who would under normal circumstances have transacted under Help to Buy, will remain in the rental market for longer. This adds further fuel to an already constrained rental market and will, we expect, mean the supply demand imbalance and resulting rental growth will continue. Rental growth is expected to be particularly strong at the front end of the five-year period.

Energy efficient new build city centre homes are expected to prove popular with renters looking at ways to minimise their energy bills. This will boost demand for new urban rental homes underpinning stronger rental value growth.



JLL Residential Forecasts 2023-2027

Est. Sales Price Growth	Cumulative 2023-2027	Average pa 2023-2027
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Central London	19.3%	3.6%
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Greater London	13.9%	2.6%
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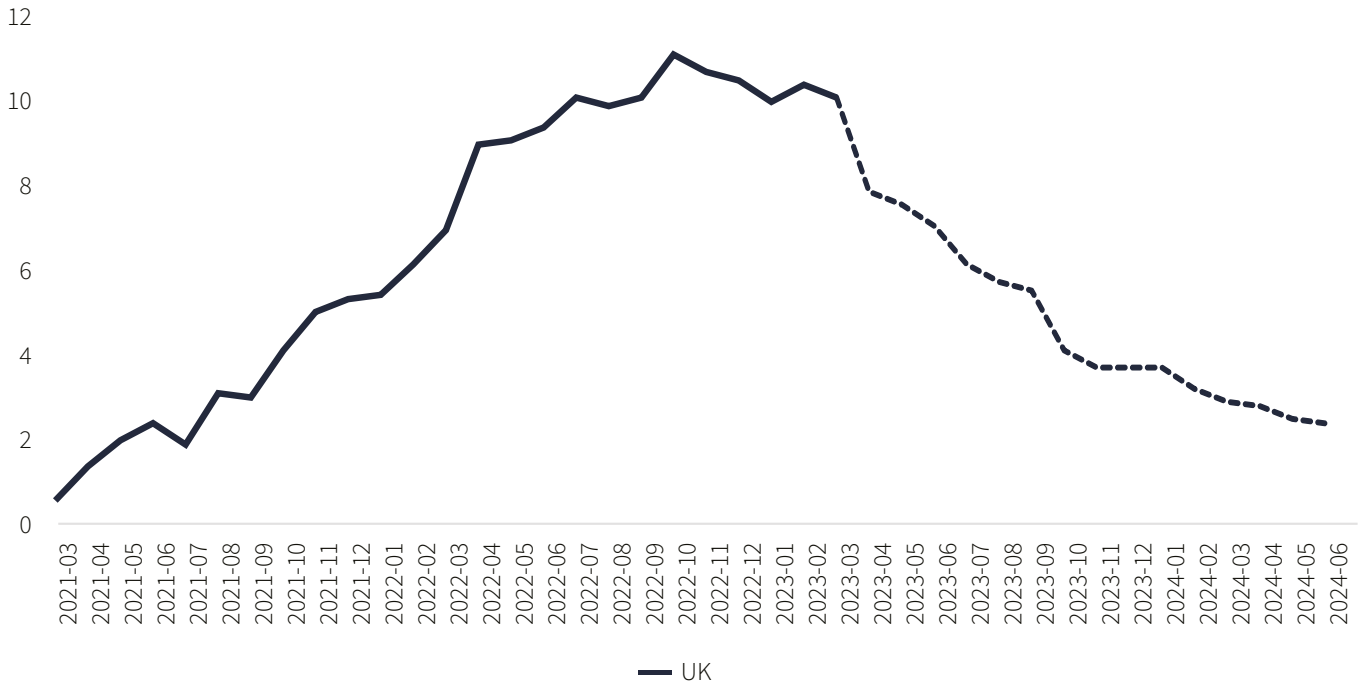
Est. Rental Value Growth	Cumulative 2023-2027	Average pa 2023-2027
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Central London	19.9%	3.7%
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Greater London	17.6%	3.3%
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UK inflation looks to have peaked with forecasts suggesting rates will drop back in the second half of 2023.

Inflation forecast (% YoY)



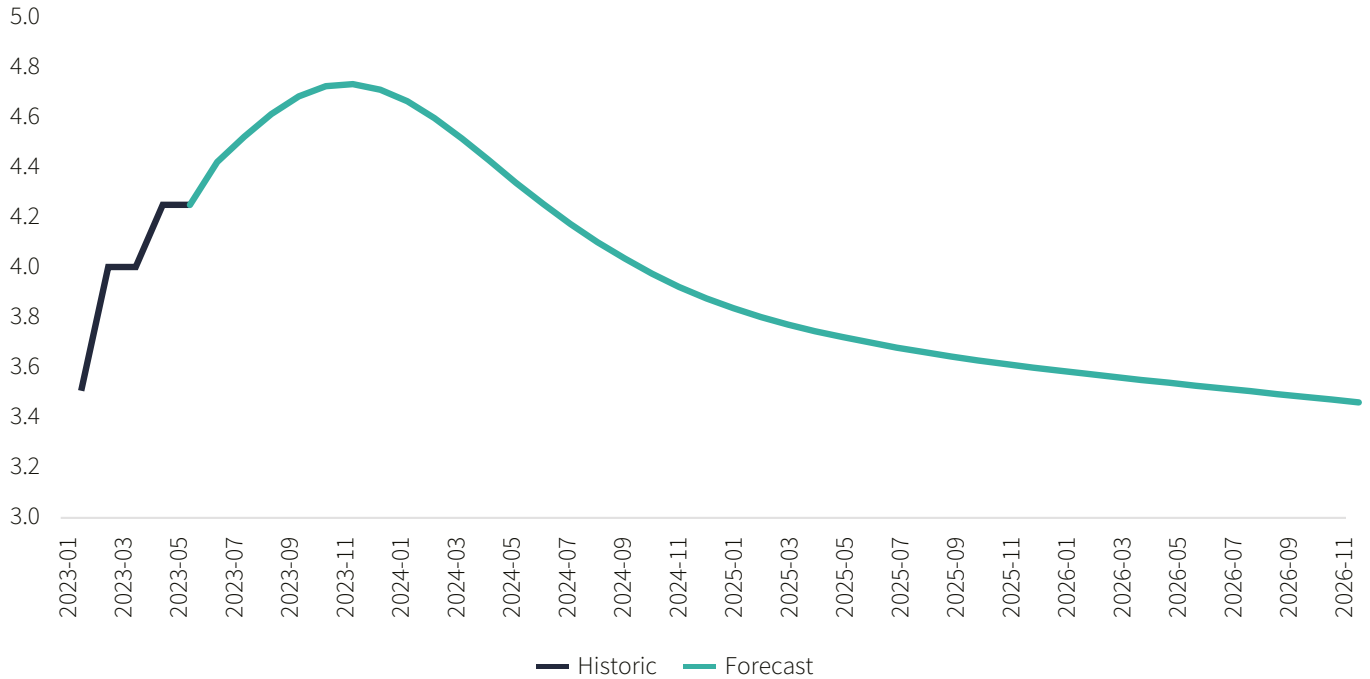
Source: JLL using Consensus Forecasts



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Bank Rate forecast to peak in the second half of 2023 before falling back in 2024.

Market expectations for BoE Bank Rate (%)



Source: JLL using Consensus Forecasts

Rising inflation was evident across many global markets in 2022, with UK inflation reaching 11% at the peak in late 2022. However, rates have started to fall, with consensus forecasts expecting annual inflation will have fallen to 4% by the end of 2023. Rising inflation has contributed to increase in interest rates since

early 2022, with rates rising from record lows of 0.1% in late 2021. But expectations are that we are nearing the peak. Forecasters expecting rates will top out at between 4.5% and 4.75% before starting to fall back in early 2024.



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