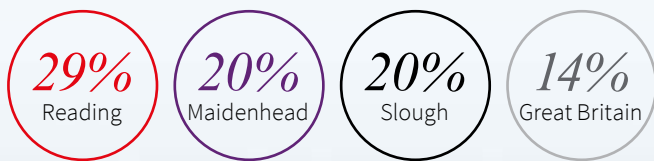


Western Corridor

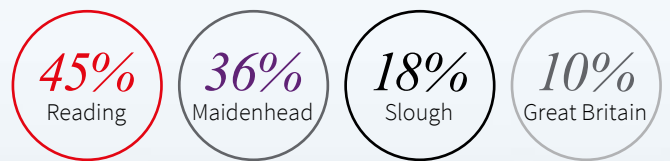
UK Living Research | May 2020



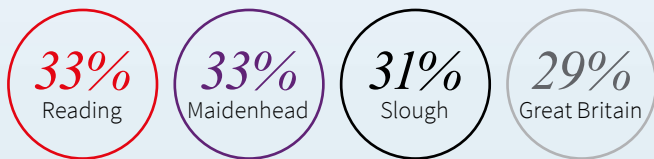
% of 25-34 year olds



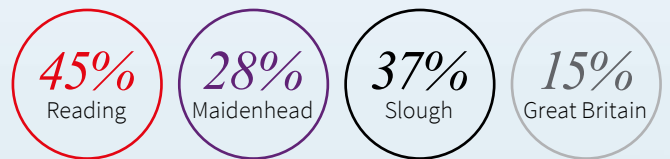
% of young professional households



% of household incomes £41-80k



% of privately rented households



Source JLL, CACI. Analysis of households within a 1km radius of each town centre.

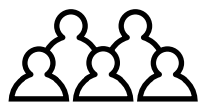


Western Corridor

- Great opportunities for owner-occupiers, investors, renters and residential developers
- Attractive house prices and rents, especially compared with London
- Varied and enticing housing opportunities for local workers and London commuters
- A rich array of hi-tech, innovative businesses alongside more traditional business services organisations
- A fantastic, young, dynamic and varied talent pool of labour
- Excellent connectivity – rail, road and air
- Improving connections with Crossrail, due to become fully operational in 2022, making London employment hubs more accessible than ever
- A new Western Rail Link to Heathrow (WRLtH) which will axe journey times to Heathrow
- Extensive and exciting town centre regeneration plans
- Town centre populations with high proportions of young adults, young professional workers and private renters
- The opportunity to be part of an exciting phase in the evolution of these towns
- Higher sales price and rental growth forecasts than the South East and UK

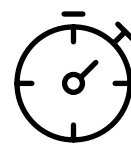


Reading



165,000

Population



23 mins

to Paddington



Local story & outlook

Reading is the business and hi-tech capital of the South East. It is a large and innovative business centre with a growing reputation as an exciting place to live and work.

Town centre evolution is well underway with several commercial and residential schemes completing in recent years and a number of developments are also under construction. A fantastic array of new apartments is unrivalled in South East England which will raise the residential offer in Reading to new heights.

The prospects for Reading are extremely positive. The town has an excellent reputation as an innovative, forward-looking business location with prestigious, technology-leading organisations and a youthful social scene which is supported by the globally-renowned Reading University.

Connectivity is excellent, especially given that it is around 37 miles west of London. Train services to London Paddington can take as little as 23 minutes, while Crossrail will improve journey times into central London. The new Western Rail Link to Heathrow (WRLtH) will cut travel times to Heathrow to as little as 26 minutes.

Reading's greatest asset is undoubtedly its business acumen. The fast-expanding tech sector is the most prolific but not the only vital business sector. Several organisations are embedded within the busy town centre

while others are located in business parks around the town. There are an array of high-profile occupiers including Microsoft, Oracle, Symantex, Investec, AspenTech, Virgin Media, Cisco Systems, Ericsson, KPMG, EY, Deloitte and PwC.

There are more than 200,000 people employed in Reading and its surrounds, making it a key employment hub in South East England. The outlook for employment and business is also very strong given Reading's growing reputation and talent pool.

Reading University is also an important component of the tech-led business community. Students are an excellent source of talent and innovation for these tech organisations. The 19,000 students are a beating heart of the social scene. However, the young demographic profile of Reading is not solely down to students. There are a growing cohort of young professionals located in and around Reading with many preferring to live in the lively town centre.

The need for homes suitable to house the evolving young employment base is therefore strong. The number and quality of modern town centre development in Reading is better than in many other towns but the need for more homes to continue the expansion and next phase of evolution of Reading town centre is high.

Several residential developments have completed in recent years meaning that urban living in Reading is quite advanced, especially compared with other locations. There are several key developments currently underway but the main development focus at present is around the station at Station Hill. The large centrally-located development, which is now under construction, will be a mixed use scheme with as many as 1,200 new homes.

The outlook for the Reading residential market is very positive. The Covid-19 pandemic has created uncertainty for the future but the underlying story for Reading is one of progression and dynamism. We expect both house price and rental growth will outpace the UK and the South East over the next five years.

New-build market

There is an exciting pipeline of residential developments both in Reading town centre and in the local vicinity.

This pipeline will not only add to the modern housing options, but will also raise the bar in terms of quality, specification, technology and service. Some homes will be multifamily (build to rent) schemes, which also means that the offer for renters will be excellent.

There are several key residential developments under construction in Reading town centre, such as the 765 unit Berkeley scheme Huntley Wharf on Kenavon Drive. This is a build for sale scheme set in a riverside location by the

River Kennet about 1km from the train station and the town centre.

Another scheme underway is Lochailort Investments, M&G and Watkin Jones's 315 unit Thames Quarter development. This will be Reading's first multifamily (build to rent) scheme and will also include the town's tallest residential tower, at 22 storeys. It is ideally located just north of the train station and around 1km from the town centre.

The Station Hill mixed use development is also now underway. The Lincoln Property Company and MGT Investment Management complex will include around 1,200 residential units as well as 100,000 sq ft of retail and leisure space and 600,000 sq ft

of offices. Many of the new homes are likely to be multifamily (build to rent) apartments.

Verto, a 103 unit scheme, Sterling Square, a 100 unit development and Foundry Quarter, a scheme of 427 units are also all under construction.

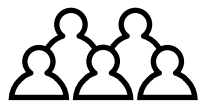
There are also several schemes in the development pipeline. The largest schemes are Aviva's redevelopment of the shopping park immediately north east of the train station which will include 750-950 new homes and Inception Reading's redevelopment of the Broad Street Mall Shopping Centre which will include around 493 units.



Reading town centre is a leader in urban living in South East England. And with several more residential developments on their way, town centre living in Reading will grow further.



Maidenhead



82,000
Population



16 mins
to Paddington



Local story & outlook

Maidenhead is somewhat of an untapped opportunity. It is a good deal smaller than Reading but benefits from excellent communication links and a compact town centre. It also has an enviable array of hi-tech and business services employers both in and out of town.

Town centre development is not advanced but there is plenty of potential for regeneration and transformation. The higher profile generated through Crossrail could well be the catalyst to spark significant change.

Maidenhead has excellent connectivity. London Paddington can be reached in as little as 16 minutes. Maidenhead is close to the motorway network with the M25, M4, M40 and A404(M) all within easy reach.

The town is home to around 82,000 residents with 13,000 living within 1km of the centre. There is a notably higher proportion of 25-44 year olds in Maidenhead compared to Great Britain and there is a lower proportion of over 65s than the national average.

The town benefits from being in the hi-tech employer hotbed that is the Western Corridor. Local employers include Adobe, Three, Johnson & Johnson, Abbott Laboratories, Pfizer, Covance and

GlaxoSmithKline. There is a mix of town centre and out of town business areas with the largest employers in the town centre being Three, Royal Borough of Windsor & Maidenhead and Adobe.

Most residents either work locally or commute into central London. Crossrail will therefore make a huge difference, cutting journey times into London employment hubs and making Maidenhead a far more attractive commuting proposition. Crossrail will also improve the profile of Maidenhead with the potential to entice additional investment to the town.

Given its excellent credentials it is surprising that Maidenhead has not progressed or expanded as much as perhaps it should. The potential of Maidenhead, however, is huge. The pool of labour is exemplary and there is scope to significantly improve the town centre. Importantly, there are a number of developments in the pipeline that will not only improve the town centre but will also add to the residential offering.

The redevelopment of the Nicholsons Shopping Centre, the main retail centre in the town, would mark a key stepping stone to a brighter town. This scheme is still on the drawing board but is likely to be a mixed use development to include retail, office, leisure and residential. Not only would this development be the

cornerstone of a revitalised focal point of the town, it is also likely to prove a catalyst for further development and expansion. The development of Maidenhead Golf Club into 2,000 homes, as well as several other smaller developments, all look set to push Maidenhead to become a far more vibrant, urban living town.

The current pandemic has created huge uncertainty. However, the outlook for Maidenhead in terms of town centre evolution, residential development and urban living remains strong. We forecast house price growth and rental growth will be higher than the UK and the South East over the next five years

New-build market

There are three key developments under construction in the town centre. With little new residential development in recent years, these schemes will significantly improve the housing offer in the town centre.

The only scheme to have been completed recently is the Essential Living rental scheme Berkshire House on Queens Street.

The largest of the schemes currently underway is HUB's The Landing, where 424 units are being developed as part of a mixed use scheme in the heart of the town centre on King Street. The scheme is ideally located for both the train station and the town centre. The scheme is due to be rebranded shortly.

The next largest development under construction in Maidenhead town centre

is Countryside's Watermark scheme on York Road. 229 new homes are being created alongside a public square with the waterway also being made more accessible. The town centre and train station are within easy walking distance.

The third residential scheme on site is Shanly Homes' Waterside Quarter on the High Street by The Cut waterway. The 182 units will be around 1km from the train station. Redrow's scheme The Loftings is also under construction.

The key development in the town centre in the years ahead will be the redevelopment of the Nicholsons Shopping Centre. The composition of the final scheme has not yet been decided nor has it been submitted to planning yet. However, as well as retail, leisure and office uses,

upwards of 300 residential units could be created. The whole scheme and shopping centre is unlikely to be completed until 2025 at the earliest.

By this time, however, Maidenhead is likely to have benefitted from a significant amount of development with the shopping centre providing the lynchpin to other development.

The largest scheme will be CALA Homes' redevelopment of Maidenhead Golf Club into more than 2,000 homes.

In addition, Shanly Homes has a couple of sites on York Road where around 200 residential units could be delivered, while the redevelopment of Statesman House could yield around 125 homes.

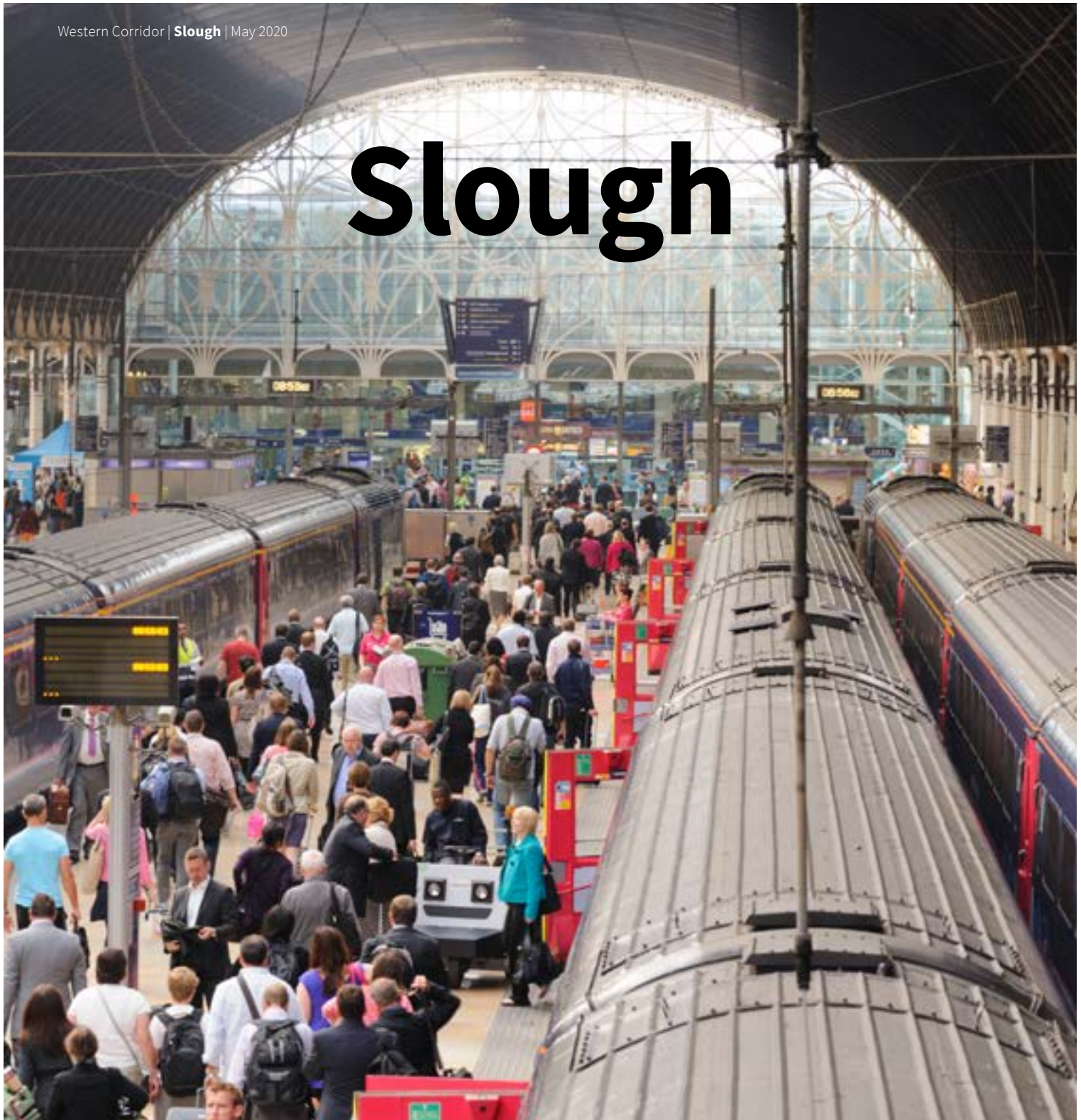




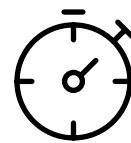
Town centre living in Maidenhead is yet to take off. However, a few schemes are now underway which we expect to whet the appetite and spark residential developers into life.



Slough



151,000
Population



14 mins
to Paddington



Local story & outlook

Slough is the unloved sleeping giant of South East England and the Western Corridor. The town has a multitude of positive attributes including excellent and improving connectivity, a young population, dynamic businesses and the will and scope for regeneration in the heart of the town.

There is great hope and expectation that Slough can improve its reputation through comprehensive, bold and radical redevelopment. The next 10 years could be the most significant in the town's history.

Fundamentally, Slough has a huge amount going for it. Excellent communications and close proximity to London and Thames Valley employment hubs are key selling points. London Paddington can be reached in as little as 14 minutes with Central London employment hubs in the West End, City and Canary Wharf accessed via tube. When Crossrail is fully up and running, currently projected to be mid-2022, travel to these work locations will be even faster.

As well as Crossrail, a new train service to Heathrow, which is currently under consultation, will connect passengers to Heathrow in just 6 minutes. When this will become operational is not yet certain. Slough is well-located on the road network being close to the A4, M4, M40, A404(M) and M25.

There is a busy employment market in and around Slough. The majority of businesses are out of town, most notably at Slough Trading Estate. Businesses include Mars, Amazon, LG, O2, Ferrari, Centrica, Orange,

McAfee, Akzo Nobel (ICI) and Black & Decker. Town centre occupiers include HTC, KP, Spaces, Orange, Mattel, McAfee and Slough Borough Council. There is an excellent mix of businesses in the area covering hi-tech, manufacturing and services industries.

Most importantly for the future of Slough are the huge and significant proposals to transform the town centre. Slough Borough Council are instrumental in these plans and are very pro-development. The council has earmarked £3bn to re-invent Slough town centre. The key redevelopment is that of the Queensmere and Observatory shopping centres into mixed use development including significant residential, retail, leisure and office space. This is a large project that is still in the design stage and could take around 10 years to be completed.

In all, around 7,500-9,000 new homes could be created in Slough town centre. This is a huge residential opportunity for Slough to reinvent itself by attracting young professionals, in particular those who work locally or in central London. The opening of the Elizabeth Line will play a crucial role in luring new residents, as will the significantly better housing affordability. An excellent choice of new developments will be a strong selling point.

The real key for the reinvented Slough will be momentum. The vision needs to become a self-fulfilling prophesy, with business, homeowner and renter success stories encouraging more people and businesses to locate in the new Slough.

The strong fundamental attributes and the dynamic future plans make investing in Slough an exciting, and potentially prosperous, proposition.

While the Covid-19 pandemic has altered our house price and rental growth forecasts, the uprating and progression of Slough is still expected to lift the profile and dynamism of the town. There remains a strong underlying narrative and we expect this to lead to stronger house price and rental growth in Slough compared to both the UK and the South East over the next five years.

New-build market

Two new residential schemes have completed in Slough town centre recently. These are Slough Urban Renewal's Milestone scheme, where 73 units have been created, and Mackenzie's Vanburgh Court of 119 units.

These schemes will hopefully be the first of many in the new transformation of the town. It is encouraging that there are three other schemes under construction. These are the Old Library, Aspire and Horlicks Factory.

The largest scheme under construction is Berkeley Homes' Horlicks Factory on Stoke Poges Lane. Around 1,300 new homes will be delivered as part of a mixed use development with plenty of public and green space.

Aspire, a 238 unit phased development, is being built by Click Properties. Over 50% of the first phase is sold.

The other scheme under construction is The Old Library. As well as 64 residential units, retail, leisure and two hotels are also being developed.

There are a host of potential residential developments in the pipeline in Slough town centre. In all, the overarching masterplan envisages up to 9,000 new homes over the next decade or so.

This includes up to 1,400 homes in the North West Quadrant, which will be developed by Muse and up to 2,500 units as part of the redevelopment of the Queensmere and Observatory shopping centres by British Land and Abu Dhabi Investment Authority.

Other key housing schemes are likely at the former Akzo Nobel building where 1,000 units could be developed, at the Octagon site on Brunel Street where around 180

units in a tower scheme are planned and at Stoke Wharf where around 250 new homes are likely.

A number of other smaller schemes are also in the development pipeline in the town centre. All of these imply a healthy and exciting residential development market over the next decade.



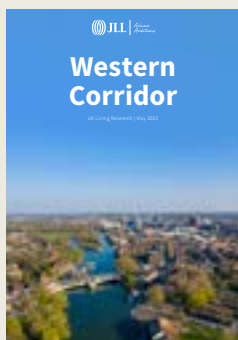


We expect Slough to change out of all recognition over the next decade. Residential development, which is playing only a minor role at present, will contribute significantly and lead to a much more vibrant and busy urban living population.



Western Corridor

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The Covid-19 pandemic has created a material uncertainty in real estate investment market performance. Across Europe, there is considerable variation in the extent of the human implications unfolding and their impact on economic activity, including the trajectory, duration and extent of these impacts on all real estate sectors. Varying recent and ongoing policy responses across the region and mitigating implications will differ by market and sector.