

# Our business is positioned to benefit from long term trends

## Key long term trends



### The UK's changing role in global markets

London will remain a leading global city, but will face near term uncertainty as the terms on which the UK leaves the EU are negotiated. We may see increased pressure on employment in financial services and related sectors as businesses assess whether London and the UK remain the best location for them. The weaker currency translates to higher input costs for retailers, with consumers potentially facing lower disposable incomes as inflation increases.



### Population growth and urbanisation

The UK population is expected to grow from 65 million in 2015 to over 74 million in 2040. Much of the increase is expected to be in its largest cities, particularly London, where there is an increasing emphasis on attractive mixed use environments.



### Transformative impact of technology

Technology is not only driving changes in how we work and shop, it is having a profound impact on the space we occupy. The ability to work remotely changes how we use office space, increasing the demand for flexible and co-working space. In response to online, retailers are developing sophisticated omni-channel strategies, and are using technology to respond to changing consumer behaviour.



### Evolving worker and consumer expectations

The distinction between work and leisure time is increasingly blurred so people expect a range of amenities and services, and a choice of leisure and entertainment activities to form an integral part of the places where they work, shop and live. This is increasing demand for mixed use environments which are well integrated with local communities and provide a superior and differentiated offer.



### Wellbeing and sustainability

People's wellbeing is strongly influenced by the places where they spend time. Increasingly, companies are focusing on providing workspaces which promote wellbeing and increase productivity. The quality of workspace has become a tool to attract and retain key talent and retailers are choosing to locate their stores in environments which encourage customer loyalty. There is also a growing expectation that buildings should reflect environmental concerns.



*We focus on our customers and curate the environment inside and out using our scale and placemaking expertise.”*

## How we are responding



### Investing in London

The impact on London of the UK's departure from the EU is unclear, but its capacity to evolve is well established. We believe that the ease of doing business, its intellectual capital, culture, diversity and reputation for innovation underpins London's long term appeal as a global business and cultural centre. 58% of our portfolio is located here, and £4 billion of our assets are in close proximity to Crossrail stations, reflecting the importance of well-connected space to our customers.



### Getting closer to our customers

Our strategy is focused on our occupiers and their customers and employees. We have invested in the skills and resources we need to better understand their preferences. In Retail, our data profiles the demographics of local catchments and our shoppers, as well as when and how people use our centres, highlighting the potential of each scheme. In Offices, we survey office workers and engage with key decision makers from a range of businesses, providing important insight into how to improve our work spaces.



### Creating great environments

Across our business, our strategy is to control the wider environment on both our multi-let retail centres and our London campuses, enabling us to deliver places which are attractive and authentic but also functional and efficient. Our environments are designed to reflect people's changing lifestyles, where the distinction between work and leisure time is increasingly blurred. We target a mix of occupiers and services which reflect the local catchment and provide events which enliven our places and bring communities together.



### Maintaining a flexible development pipeline

Development has been an important driver of returns and we have assembled a pipeline of opportunities across a range of uses. In the more uncertain environment, our appetite for speculative development has moderated, but we are well placed to progress our plans when the time is right. The majority of the development opportunities in our portfolio enhance existing assets.



### Promoting health and wellbeing

We are focused on delivering environments which promote wellbeing and improve productivity. Social places, green spaces and initiatives which encourage active living, such as cycle racks and fitness centres are incorporated where possible and wellbeing activities form an important part of our events programme across both our Retail and Offices portfolios. At 100 Liverpool Street, we are targeting the WELL Building Standard which supports wellbeing innovations that help create healthier, more productive offices.



For more information on Our strategy see pages 14 and 15.



For more information on sustainability see [www.britishland.com/sustainability](http://www.britishland.com/sustainability)