



Demographic & Labour Analytics

The Maylands Building

Business & Location Consulting
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Rosemary Lewis
JLL - Consulting
rosemary.lewis@eu.jll.com
+44 (0)207 399 5797

Matthijs Weeink
JLL - Consulting
matthijs.weeink@eu.jll.com
+44 (0)207 087 5195

Executive Summary

- The report is a socio economic analysis of the area surrounding the Maylands building in Hemel Hempstead, Hertfordshire, located at HP2 7TG
- Key factors analysed included population, employment, labour force, growth forecasts, macro economic factors, consumer spending and indicative commuting patterns
- Within 60 minutes of the site, there is access to 3.1 million people of key working age (25-54 years), 5% higher than the UK average.
- Within 60 minutes drive from the site, there is access to approximately 475,000 students.
- Within 60 minutes catchment of the site, the forecasted population growth is nearly double that project for the UK average – the projected growth rates for UK are 2.7% and 5% by 2020 and 2025 respectively.
- Labour costs are typically 25% lower than equivalent costs in London.
- The areas surrounding the site have a higher projected GDP growth rate compared to the UK average
- For the typical commuter to the site, the majority (65%) of employees would live in Hertfordshire, followed by Bedfordshire (21%). It is likely they drive to work as the average commute time is more than three times faster than the average public transport journey time.

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Demographics - Population

Figure 1: Total population* within a 15, 30 and 60 minute catchment (drive times) from subject site

Population by Age	Within 15 minutes	% for area	Within 30 minutes	% for area	Within 60 minutes	% for area
0 to 4	15,299	7.0	90,774	7.1	499,295	7.1
5 to 14	27,152	12.5	163,844	12.8	857,564	12.2
15 to 24	22,836	10.5	150,245	11.8	821,462	11.7
25 to 34	30,416	14.0	180,795	14.2	1,150,682	16.4
35 to 44	31,467	14.5	179,193	14.0	1,044,822	14.9
45 to 54	31,396	14.5	177,982	13.9	957,461	13.7
55 to 64	24,022	11.1	134,068	10.5	702,625	10.0
65 +	34,537	15.9	199,153	15.6	979,682.0	14.0
Total	217,125		1,276,054		7,013,593	

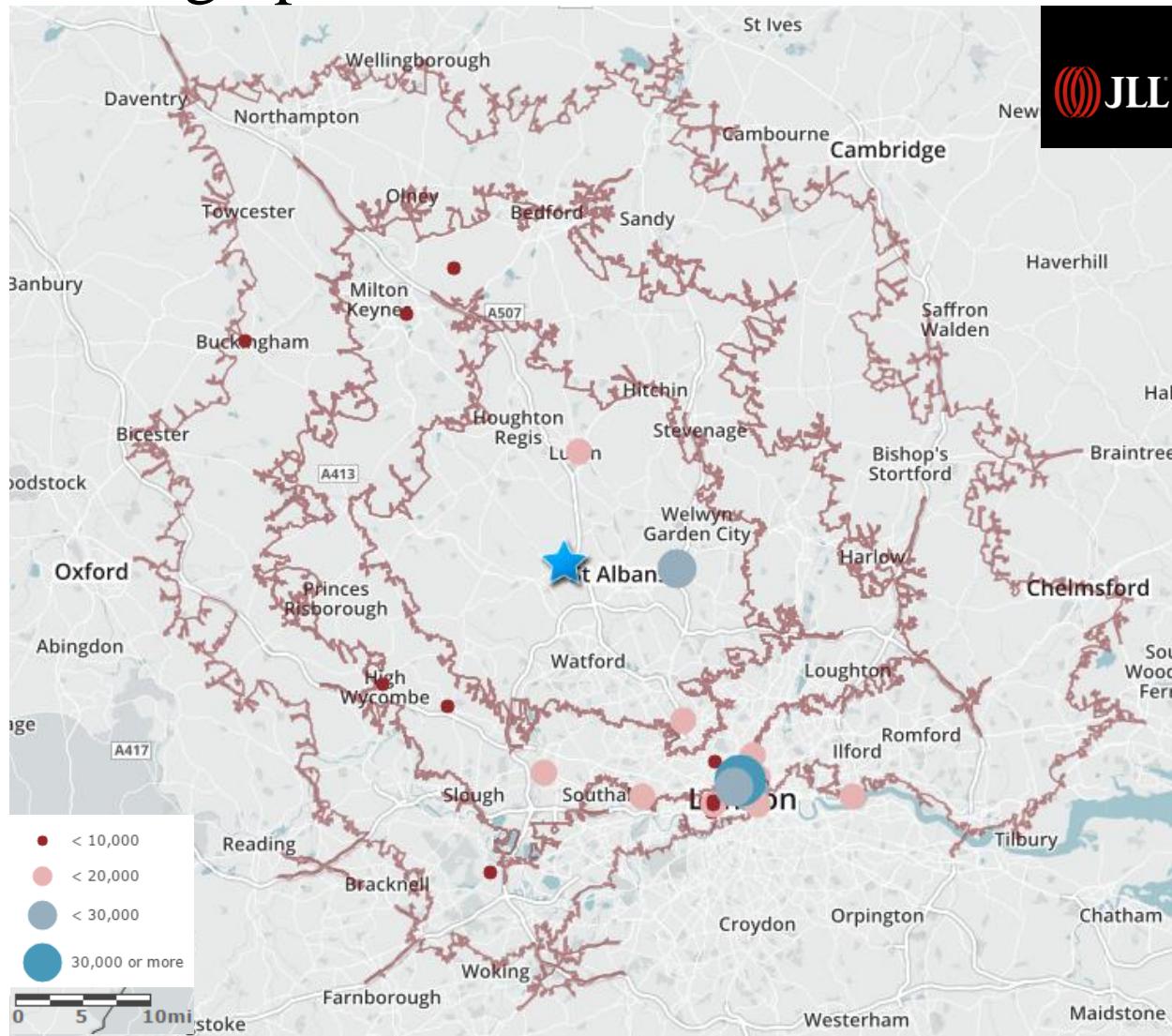
 Working Age Population

Source: CACI

Key Points:

- The results show a similar patterns of population by age across the 15, 30, 45 and 60 minute drive cohorts.
- Within 30 minutes of the site, there is **access to 538,000 people of key working age** (25 – 54 years), 2% higher than the UK average.
- Within 60 minutes of the site, there is **access to 3.1 million people of key working age** (25-54 years), 5% higher than the UK average.
- The location surrounding Mayfields has a higher proportion (19.3%) of children and young adults (0-14 years) than the UK average (17.7%).

Demographics – Education



Key Points:

- The map shows there are 37 Higher Education facilities within a 60 minute drive from the subject site.
- **Within 60 minutes drive from the site, there is access to approximately 475,000 students.**
- The largest universities by total student size are:
 - University College London - 35,000 students approx.
 - University of Hertfordshire,
 - King's College London
 - The University of Westminster (with between 20,000 – 30,000 students).
- The universities nearest to the site are University of Hertfordshire and University of Bedfordshire (
- The site's accessibility to student population makes it attractive for some types of jobs not requiring graduates; and those graduating may stay within the area.

Forecasted population growth & population by social grade

Figure 2: Total resident population projections within a 15, 30 and 60 minute catchment from Maylands

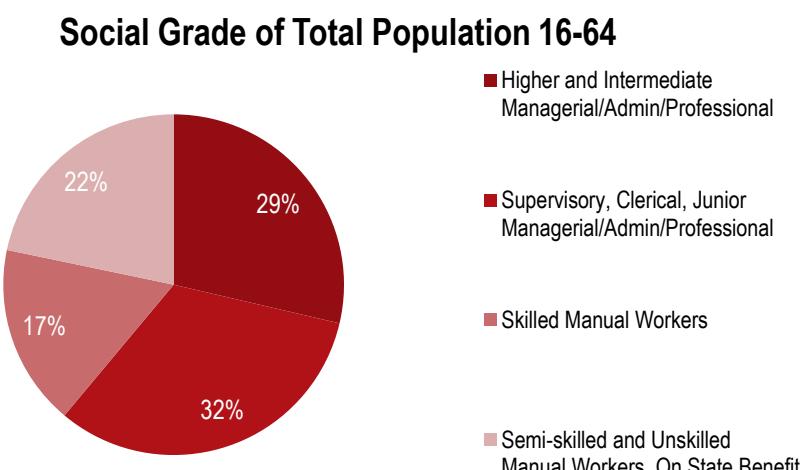
Resident Population Projections	15 Minutes	%	30 Minutes	%	60 Minutes	%
Population 2020	227,418	4.7%	1,341,592	5.1%	7,380,013	5.2%
Population 2025	236,547	8.9%	1,399,305	9.7%	7,689,203	9.6%

Source: CACI

Key Points:

- Population surrounding Maylands is projected to grow at strong rates, in particular in the catchments 30 and 60 minutes from the site.
- Within 60 minutes catchment of the site, the **forecasted population growth is nearly double that project for the UK average** – the projected growth rates for UK are 2.7% and 5% by 2020 and 2025 respectively.

Figure 3: Social Grade of population within 60 minutes by area



Key Points:

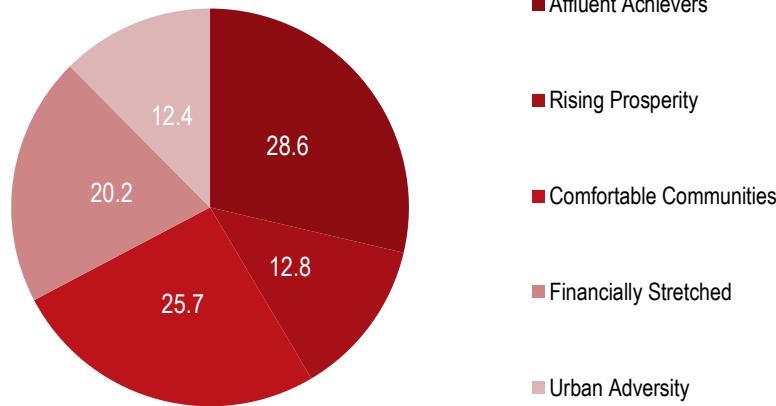
- The chart showing the Social Grade of Total Population aged 16-64 represents the people within a 60 minute drive time catchment of the site.
- The majority (29%) of the population are classified as higher and intermediate managerial / admin / professional, the most skilled social grade analysed. This represents approximately 595,000 people. Compared to the average of 22% indicates the area's **proximity to a higher than average skilled workforce**.
- Nearly identical percentages of people fall in the same social grades for the 30 minute drive time catchment.

Source: CACI

Demographics – Consumer Classification

Figure 4: ACORN Analysis by Catchment

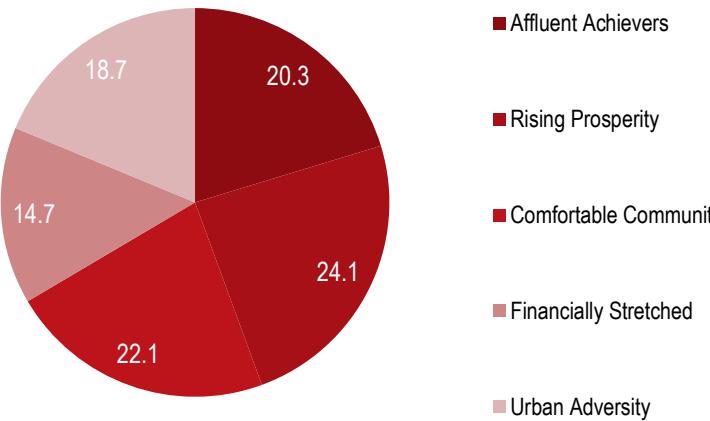
ACORN Analysis - 30 minute catchment



Key Points:

- Acorn is a consumer classification that segments the UK population by analysing demographic data, social factors, population and consumer behaviour, to provide precise information and an understanding of different types of people.
- Within a 30 minute drive time catchment of the site, the **population's majority (28.6%) is Affluent Achiever**, representing some of the most financially successful people in the country.
- IN comparison, the UK average for Affluent Achiever is 22.2%, representing the fourth highest group, with the dominant classification being Comfortable Communities

ACORN Analysis - 60 minute catchment



Key Points:

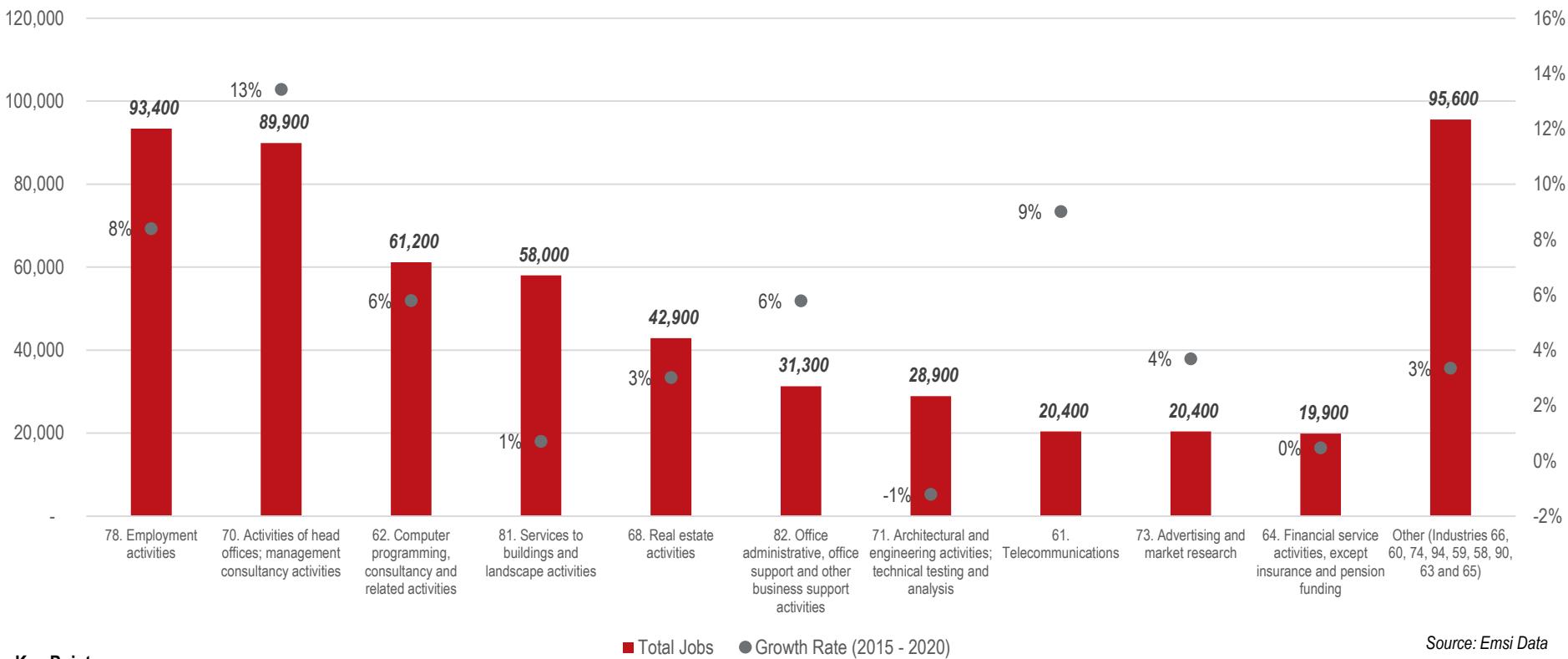
- Within a 60 minute drive time catchment of the site, the **population's majority (24.1%) is Rising Prosperity**. This group is generally younger, well educated and mostly prosperous people living in major towns and cities.
- This represents nearly two and a half times the UK average for Rising Prosperity (9.7%).

Source: CACI

Labour Analytics – Labour Market Size

Figure 5: Industries

Top 10 Industries around Site (LHS) with projected growth rate percentage 2015-2020 (RHS)

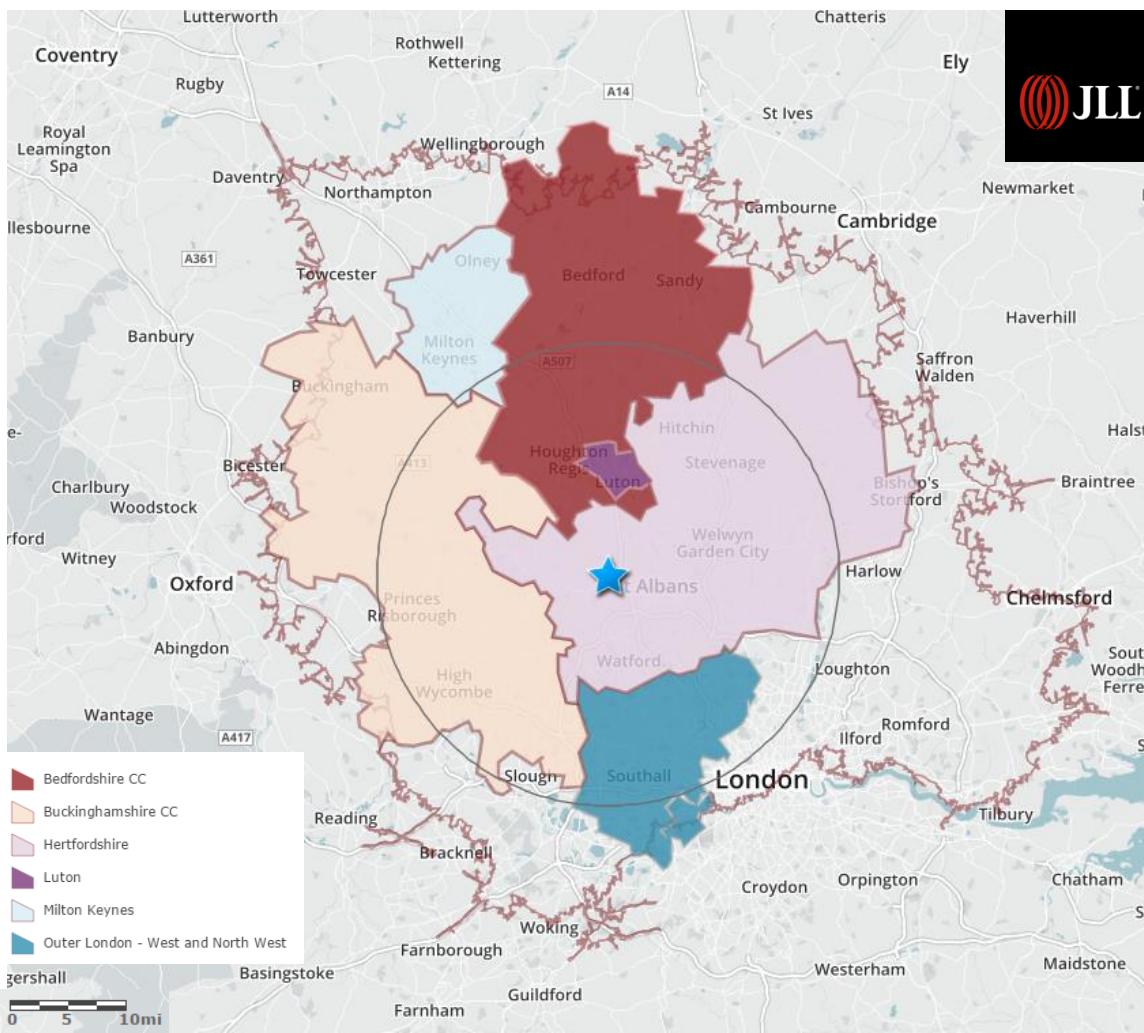


Key Points:

- The graph represents the size of the selected industry (number of jobs for employees and proprietors) across the six locational areas (at NUTS 3 level) within close proximity of the subject site.
- The industries have been selected based on relevance to the site's target occupiers within an office context
- The dominant industry is "78. Employment Activities", with the highest count of jobs (93,400). The industry with the highest growth rate is "70. Activities of Head offices, management consultancy activities".
- The industry with the lowest growth rate (negative) is "65. Insurance, reinsurance and pension funding, except social securities". Amongst all selected industries, this industry has the lowest count of jobs in the locations analysed.
- The weighted average growth rate across the selected industries is 6%.**

Source: Emsi Data

Labour Analytics – Labour Market Size



Key Points:

- The map shows the subject site (blue star) and the locations included for the labour market size.
- The locations analysed fall within a 60 minute drive time (red line) and generally within a 20 mile radius (grey circle) of the subject site.
- Growth rate is weighted to the number of jobs in each category and represents the projected growth rate in the period of 2015 – 2020.

Row Labels	Total Jobs	Growth Rate
Bedfordshire CC	33,049	6%
Buckinghamshire CC	59,874	5%
Hertfordshire	172,717	8%
Luton	17,383	2%
Milton Keynes	53,330	10%
Outer London - West and North West	224,572	4%
TOTAL	560,925	6%

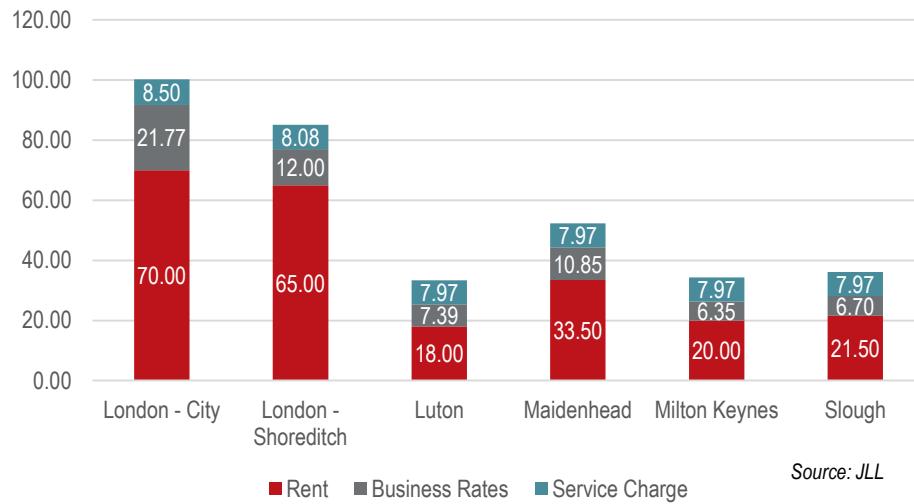
Source: Emsi Data,
ArcGIS

Labour and Occupancy Costs

Figure 6: Labour Costs



Figure 7: Occupancy Costs



Key Points:

- The indicative labour costs are based around a range of jobs that fall within the CMT sector (Communications, Media and Technology).
- The indicative labour costs for Maylands are based on a blended rate for indicative labour costs for Slough, Luton and Milton Keynes, which fall within close proximity to the site.
- In comparison to London, **typical salaries are 25% lower than the London salary.**
- Labour costs are annual gross salaries.

Key Points:

- The total occupancy costs represent the cost in pounds per sqft per annum.
- Maylands total occupancy costs are approximately 50% lower than London locations.**
- The costs are estimated using JLL proprietary information. The rents and business rates are estimated as at March 2016; and the service charges are estimated as at end 2015 based on 2014 values.
- For Luton, Maidenhead, Milton Keynes and Slough, the greater London service charges estimates have been used. For London – Shoreditch, a blended rate between City and West End has been used.
- Across the markets, there is a projected increase for Business Rates in 2017 with the new rates coming into effect. The likely increases will be highest in London.

Economic Assessment

Figure 8: Gross Domestic Product (Millions)

By NUTS 3 Location	2015	2020	% Growth
Buckinghamshire Cc	14,451	16,327	13%
Central Bedfordshire	5,244	5,856	12%
Hertfordshire	32,449	37,990	17%
Luton	4,725	5,432	15%
Milton Keynes	10,131	11,577	14%
Outer London - West And North West	55,254	63,869	16%
Total:	Total:	Average:	
TOTAL	122,254	141,052	15%

Source: Oxford Economics

Figure 9: Unemployment Levels

By NUTS 3 Location	2015
Buckinghamshire Cc	3.4
Central Bedfordshire	2.7
Hertfordshire	3.6
Luton	6.1
Milton Keynes	6.0
Outer London - West And North West	5.7
Average:	
TOTAL	4.6%

Source: Oxford Economics

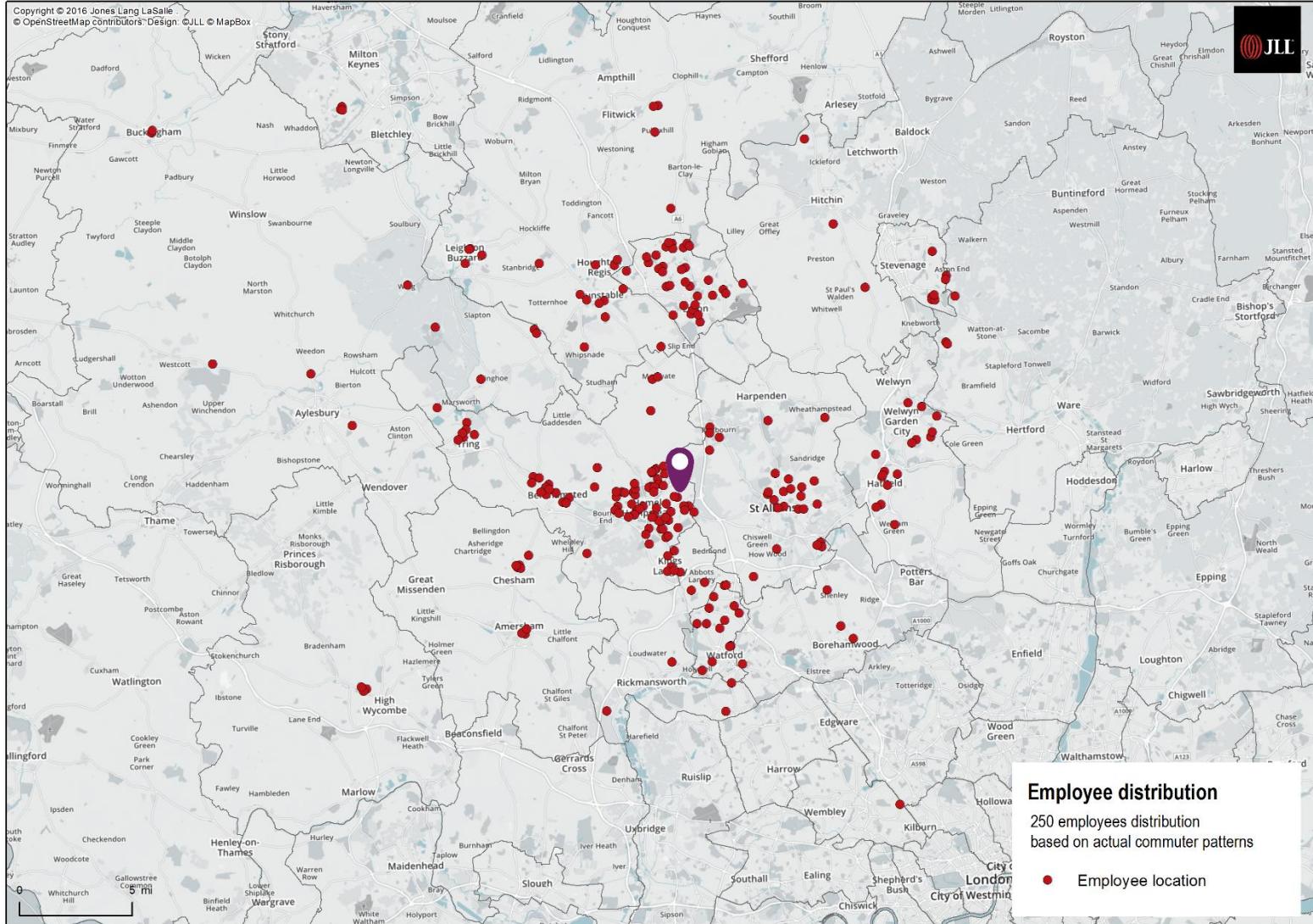
Key Points:

- The table shows the Gross Domestic Product (GDP) by location areas (refer to slide 8 for map of areas).
- Outer London – West and North West has the highest GDP amongst areas surrounding the sites, followed by Hertfordshire. This is also a function of the area (size) of these locations.
- Hertfordshire offers the highest projected growth rate over a five year period at 17%.
- The areas surrounding the site have a higher projected GDP growth rate compared to the UK average (12%).**

Key Points:

- The Unemployment Levels in percentages show that Hertfordshire, where Maylands is located, has a **lower unemployment rate (3.6%) compared to the UK average (5.3%)**.
- There are some areas near the Maylands site with higher than average unemployment rates, specifically Luton and Milton Keynes.
- The average unemployment rate has not been weighted to reflect the size of populations nor area.

Commuter Assessment



Key Points:

- JLL has used statistical analysis based around ONS data on points of origin for a work day journey.
- Using a sample of 250 employees, we have pro-rated the ONS data to arrive at sample locations for a hypothetical headcount analysis, based on real life data of people who travel to work in the location surrounding the Maylands site.
- It indicates that very few people (<1%) live in central London and work in the area surrounding the Maylands building.

Commuter Assessment

Figure 10: Transport Findings

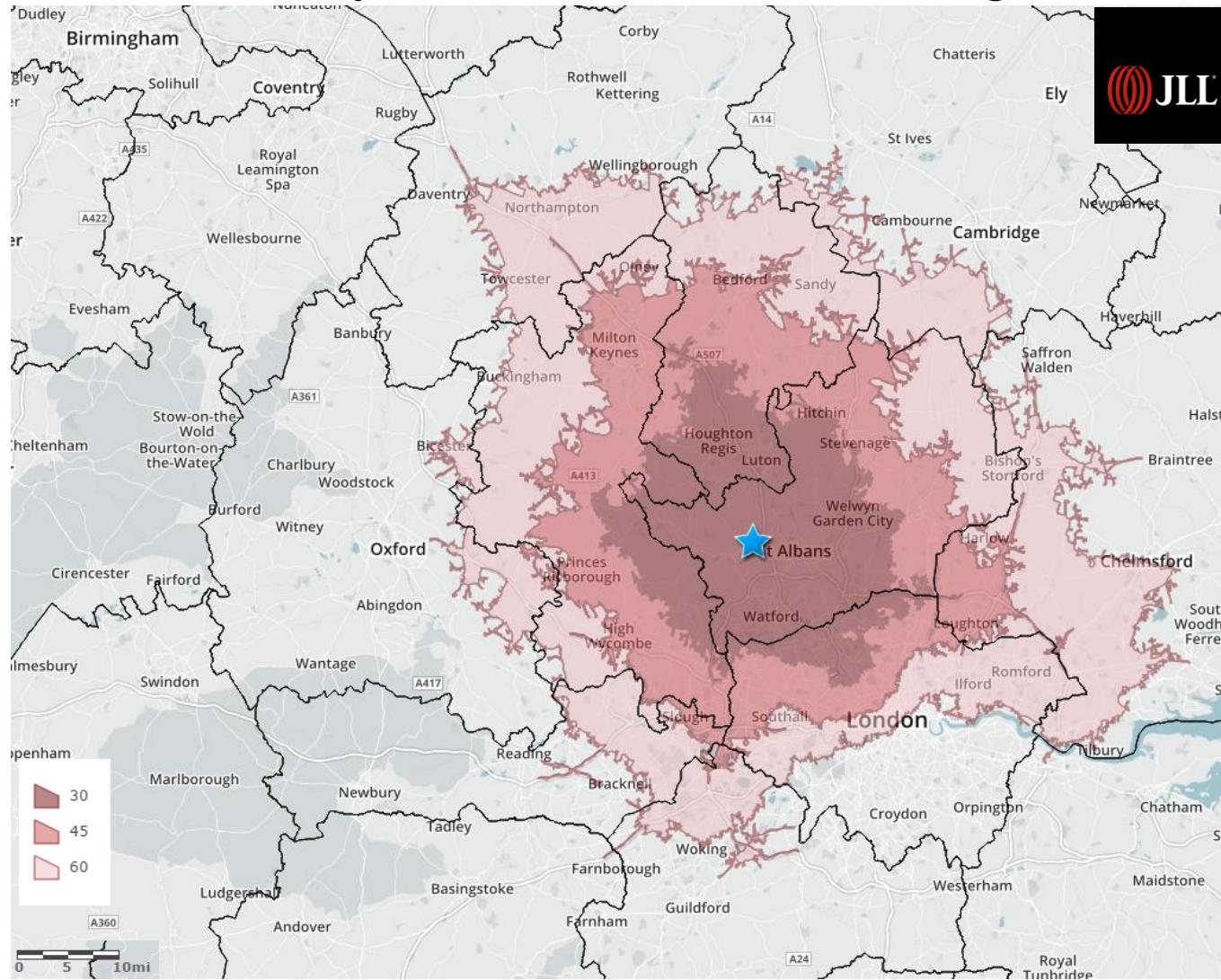
Summary of Transport Findings - Private			Cumulative no. of employees living within commute time boundary							
Headcount for Analysis: 250	Average Commute (mins)	Median Commute (mins)	Up to 30mins (HC)	Up to 30mins (%)	Up to 60mins (HC)	Up to 60mins (%)	Up to 90mins (HC)	Up to 90mins (%)	Over 90mins (HC)	Over 90mins (%)
Maylands	19	19	213	85%	250	100%	250	100%	-	0%

Summary of Transport Findings - Public			Cumulative no. of employees living within commute time boundary							
Headcount for Analysis: 250	Average Commute (mins)	Median Commute (mins)	Up to 30mins (HC)	Up to 30mins (%)	Up to 60mins (HC)	Up to 60mins (%)	Up to 90mins (HC)	Up to 90mins (%)	Over 90mins (HC)	Over 90mins (%)
Maylands	64	60	43	17%	125	50%	195	78%	55	22%

Key Points:

- The commuter assessment shows that the likely mode of transport to reach the site is private transport (driving), with the average commute time for private transport (19 minutes) being over three times faster than taking public transport (64 minutes).
- This also suggests that an ability to offer car spaces to employees will be viewed favourably.
- For private transport, all hypothetical employees can reach the site within up to 60 minutes.
- For public transport, only half of employees can reach the site within 60 minutes.

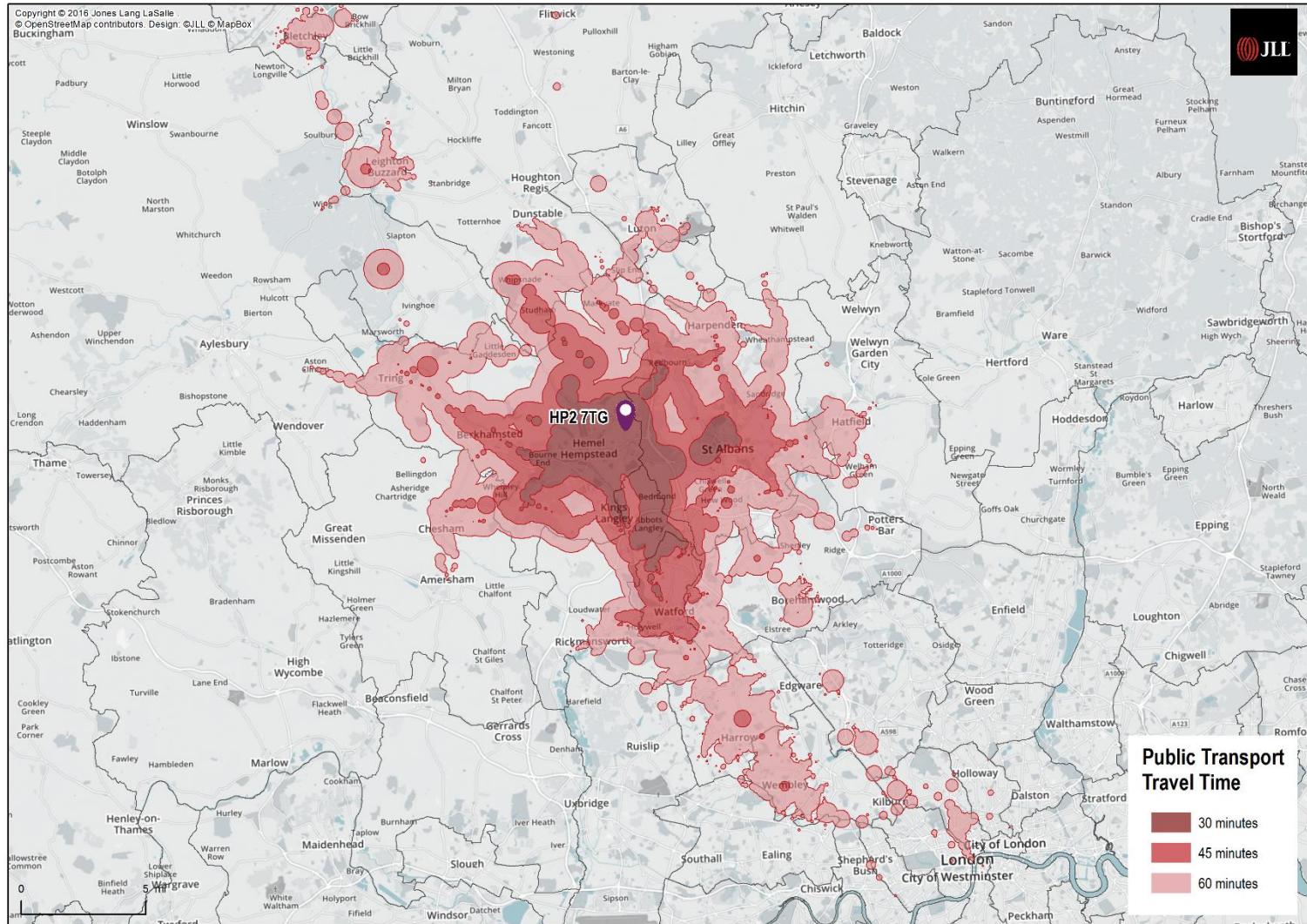
Accessibility – Catchments (Driving)



Key Points:

- The map depicts the geographic areas which fall within a 30 minute, 45 minute and 60 minute catchment area of the subject site.
- Times are based on peak hour transport times.
- The catchments are fairly balanced in each direction of the compass for the geographic areas within 30 minutes of the site.
- The catchment areas within 60 minutes of the site are skewed more towards the South East (extending into Essex) compared to accessibility from other areas.

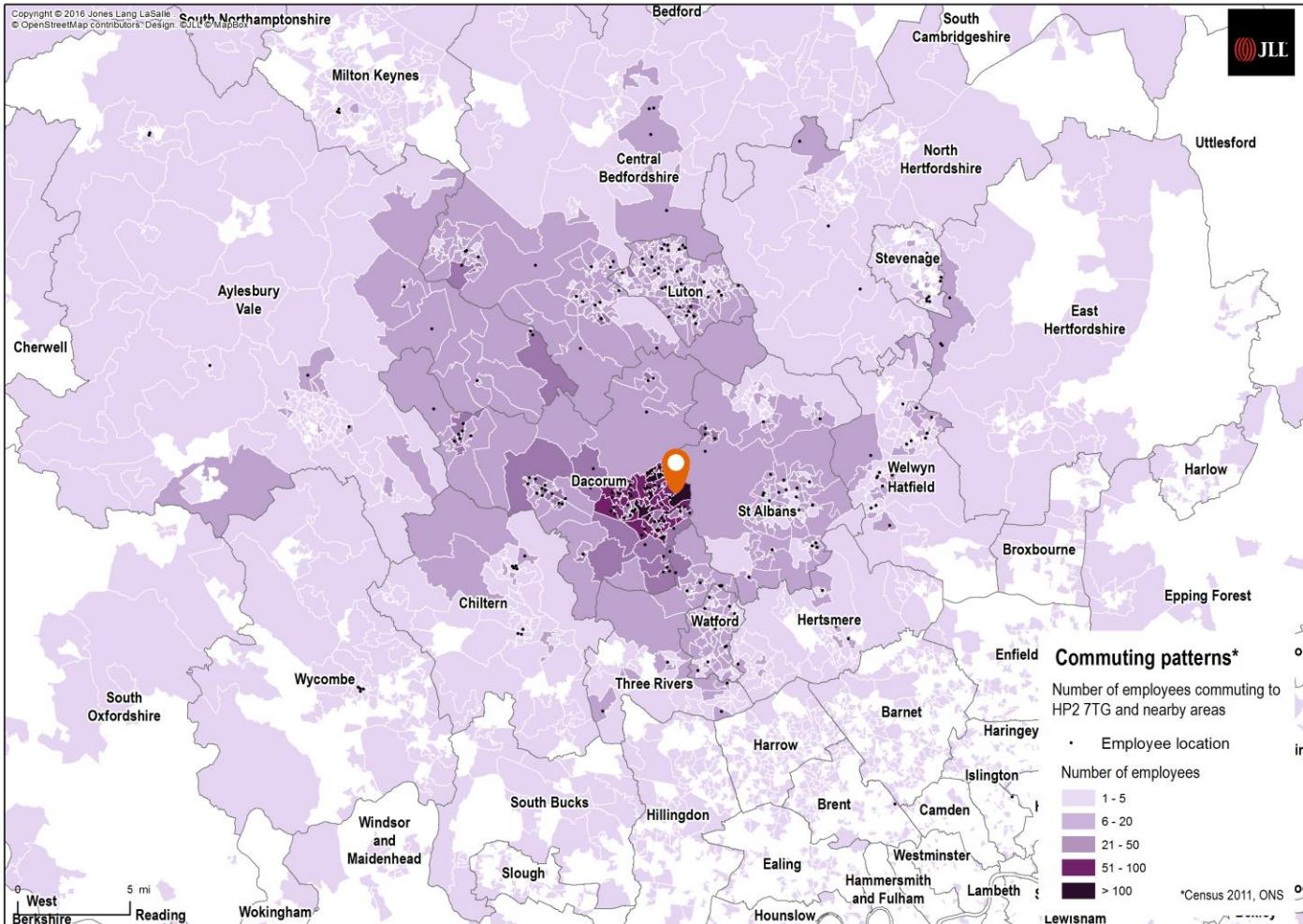
Accessibility – Catchments (Public Transport)



Key Points:

- The map depicts the geographic areas which fall within a 30 minute, 45 minute and 60 minute catchment area of the subject site.
- Times are based on peak hour transport times.
- The map indicates the catchment areas for these times are not spherical with a higher proportion of people able to reach the site along a spine-like north/south corridor.
- The map shows that there are some “pockets” which are likely associated with rail stations with better accessibility to the subject site.

Accessibility – Catchments (Public Transport)



Key Points:

- The map shows the employee distribution based on indicative locations from statistical analysis.
- The clustering of employees is prevalent in areas in Hertfordshire and Bedfordshire, as per the the table on Slide 11

Accessibility



- The building is located approximately half a mile from the M1, a major road which connects through to London and north towards Nottingham.
- The site is less than two miles to the M25, the major ring road for greater London
- The site is approximately seven miles from the A1, a major road which passes through Hatfield and Stevenage and then can link on to the M11, passing through Cambridge

Figure 11: Train Station Analysis



Train Station	Distance (miles)	Lines	Connecting Buses
Hemel Hempstead	3.1	London Midland, Southern	Sapphire 320
Apsley	3.1	London Midland	Sapphire 320
St Albans Abbey	5.3	London Midland	300 / 301
St Albans City	6.2	Thameslink	300 / 301

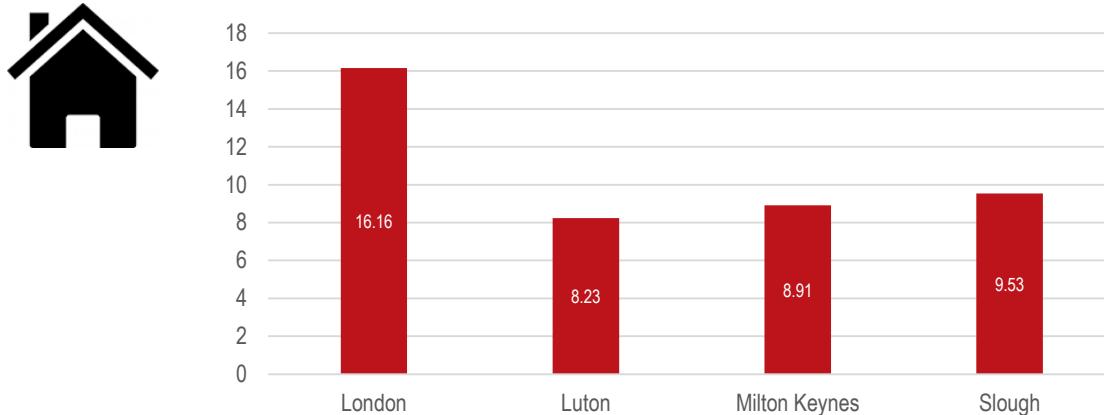


- There are two rail stations within five miles of the Maylands site
- It takes approximately 55 minutes and upwards to walk between the site and the station
- There are buses running between the stations and the site.
- To encourage people to arrive by public transport, a shuttle bus service may be required to transport people from the station to the office..

Source: Google Maps

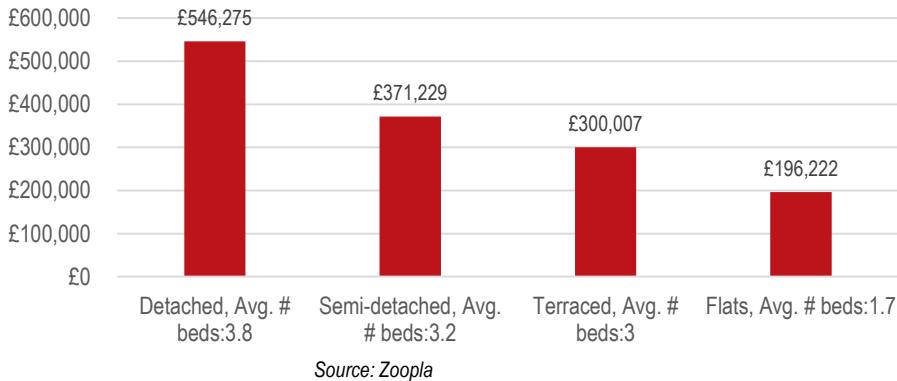
Affordability

Figure 12: Housing Affordability Ratio



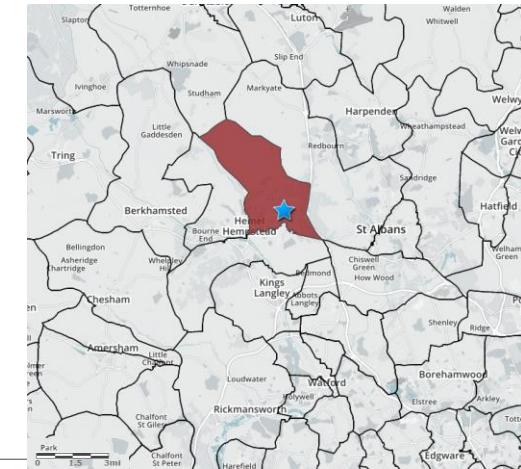
Source: Centre for Cities

Figure 13: Housing Costs – HP2



Source: Zoopla

- Housing affordability near the site is approximately double that of London (making it more accessible).
- The costs are based around the average cost of housing (to buy) divided by the average wages paid per year, provided by ONS. It is assumed that the average wages are affiliated with the location.



- Housing costs for the area marked on the map (right) is based around the location of HP2
- The costs are considerably lower than central London locations.

Contacts

Rosemary Lewis

JLL - Consulting
+44 (0) 207 399 5797
Rosemary.lewis@eu.jll.com

Matthijs Weeink

JLL - Consulting
+44 (0)207 087 5195
Matthijs.Weeink@eu.jll.com

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