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21 August 2026

Dear Ms Glancy,

Re: City of London City Plan 2040 Examination:
Hearing Statement on behalf of the City Property Association

I am writing on behalf the City Property Association, the membership body representing the owners, investors, developers and professional advisers responsible for delivering, owning and managing much of the real estate that underpins the City of London's economy. A link to our 172 member companies can be found here.

The CPA has been actively involved throughout the preparation and Examination in Public of the draft City Plan 2040, including through its Regulation 19 representations, Further Matter Statements, participation in the initial hearing sessions and response to the proposed Main Modifications.

We have prepared the accompanying Hearing Statement in response to the further hearing sessions concerning Historic England's proposed alternative tall building contours for Figure 15, *Tall Building Contours*, of the draft City Plan 2040.

Throughout the Examination period, the CPA has consistently supported the draft City Plan's strategy of accommodating 1.9 million sqm NIA of additional office floorspace by 2040. The City Cluster is the principal location for accommodating the majority of this growth and remains critical to the City's role as the UK's leading financial and business centre.

Our Hearing Statement sets out why we consider that Historic England's proposed alternative would materially reduce development capacity within the City Cluster, whilst delivering limited additional heritage benefit beyond that already secured through the draft City Plan approach. It also draws on updated evidence from Transport for London, the Greater London Authority and JLL concerning office attendance, market demand and future employment growth.

We look forward to participating in the examination process at the hearing sessions. Should you wish to discuss the content of this letter and the appendices, please do not hesitate to contact me.

Yours sincerely,

Charles Begley
Chief Executive

CPA
City Property Association

Hearing Statement on behalf of the City Property Association

City of London City Plan 2040 Examination
Additional hearings, 2-3 September 2026

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Introduction

This Hearing Statement is submitted by the City Property Association (CPA) in response to the further hearing sessions concerning Historic England's proposed alternative tall building contours for Figure 15, *Tall Building Contours*, of the draft City Plan 2040.

Throughout the Examination in Public, the CPA has consistently supported the Draft City Plan's strategy of accommodating 1.9 million sqm (NIA) of additional office floorspace by 2040, consistent with the evidence underpinning the "Return of In-Person" scenario.

The City Cluster is identified in strategic and local planning policy as the principal location for accommodating the majority of this growth and it remains critical to the City's role as the UK's leading financial and business centre. Updated evidence from TfL, the GLA and JLL further reinforces the need to maintain sufficient development capacity within the Cluster to support future office demand, employment growth and the City's continued international competitiveness. Whilst we recognise the importance of conserving the significance, setting and Outstanding Universal Value of the Tower of London World Heritage Site, the CPA considers that Historic England's proposed amendments would result in a material reduction in development capacity whilst delivering limited additional heritage benefit beyond that already secured through the Draft City Plan approach.

Evidence to support economic growth in the City of London

Return to office trends

The City Plan evidence base tested a number of future workplace scenarios prepared by Knight Frank and Arup, including the preferred "Return of In-Person" scenario. This scenario assumed that office attendance would recover to approximately 80% of 2019 levels and formed the basis for the Draft City Plan's strategy of accommodating 1.9 million sqm (NIA) of additional office floorspace by 2040.

To monitor how actual workplace behaviour compares with those assumptions, the CPA's Matter 4 Statement updated Transport for London rail tap data to include available 2025 weekday data, demonstrating a consistent increase in commuting activity since 2022. TfL has now published full-year 2025 data together with data for the first six months of 2026[1]. Figures A and B, reproduced in Appendix A, provide an updated comparison.

The latest data indicates that the City is now operating above the assumptions underpinning the Knight Frank and Arup Return of In-Person scenario finding:

- Weekly rail taps increased from approximately 2.9 million in 2024 to approximately 3.3 million in 2026, representing an increase from around 70% to approximately 81% of 2019 levels.
- Thursday rail tap activity, previously identified by the CPA as operating at around 70% of the 2019 baseline, has increased to approximately 89% of the 2019 baseline in 2026.
- This evidence demonstrates that office attendance continues to strengthen and that demand for office-

[1] Transport for London, Network demand data

based activity is now exceeding the assumptions used within the City Plan evidence base. As a result, there remains a clear need to maintain sufficient development capacity within the City Cluster to accommodate future demand.

Changing occupier behaviour

The strengthening of attendance patterns has been accompanied by an evolution in occupier requirements. CPA and Knight Frank's *Space for Change: City of London Deep Dive* found that almost 70% of office lettings within the Square Mile are occurring within prime and Grade A buildings. The evidence demonstrates that occupier demand is increasingly focused on sustainable, flexible and high-quality workplaces capable of supporting collaboration, attracting talent and meeting corporate sustainability objectives.

Occupiers are increasingly seeking offices that provide a wider range of amenities and spaces for collaboration, client engagement, innovation and informal interaction, reflecting the changing role of the workplace in a hybrid working environment[2]. As a result, office space is increasingly being designed to support a broader range of functions than simply accommodating desks, meaning that reductions in attendance do not necessarily translate into equivalent reductions in floorspace requirements.

Importantly, this does not indicate a reduction in demand for office space. Rather, occupiers are becoming increasingly selective about the type and volume of space they occupy. CPA evidence shows that availability within the City is at record lows, particularly amongst the highest-quality stock, and that businesses seeking large floorplates have increasingly limited choice. Indeed, the research found that only two large floorplates were immediately available across the Square Mile[3].

Demand is therefore becoming increasingly concentrated in the type of high-quality accommodation most commonly delivered through comprehensive redevelopment within the City Cluster.

Office market demand

Updated market evidence from JLL demonstrates continued demand for high-quality office accommodation in the City of London. As shown in Figure A (Appendix B), rents for prime non-tower office buildings are forecast to increase by around 5% per annum over the next five years, reflecting sustained occupier demand and a constrained supply of prime office space. This points to a resilient office market and continued demand for additional office floorspace.

The vacancy forecasts shown in Figure B (Appendix B) reinforces this trend. Vacancy rates are expected to continue falling in the short to medium term, with the strongest performance concentrated in new and refurbished buildings.

[2] London Property Alliance, Space for Change: Office space dynamics in central London, 2025
[3] City Property Association, Space for Change: City of London Deep Dive, 2026

Taken together, the rental growth and vacancy evidence demonstrates that demand for high-quality office accommodation remains robust and that market conditions continue to support the need for additional office floorspace within the City. This reinforces the importance of maintaining sufficient development capacity within the City Cluster to accommodate future occupier demand.

Employment capacity and employment growth forecasts

GLA Economics London Labour Market Projections

The evidence supporting the Draft City Plan's preferred *Return of In-Person* scenario assumed that the City would accommodate an additional 60,000 office-based FTE jobs (+13%) by 2042, drawing on GLA labour market forecasts and analysis undertaken by Arup as part of the City Plan evidence base. The updated office attendance data set out above demonstrates that workplace activity is now tracking above the assumptions underpinning that scenario. Recent employment forecasts suggest that future demand for office space may also exceed those original expectations.

GLA economics London labour market projections

The GLA Economics *London Labour Market Projections (2024-based update)*, published in March 2026, indicate significantly stronger growth prospects for the City of London than those underpinning the original Return of In-Person scenario. The GLA forecasts approximately 192,000 additional jobs by 2050, equivalent to annual employment growth of around 0.9%. The projections identify the City as one of the locations expected to experience the largest increase in employment, with total jobs rising by 27.4% over the forecast period. This suggests that future demand for office accommodation is likely to be greater than originally anticipated and reinforces the need to maintain sufficient capacity to accommodate additional office-based employment within the City.

GLA London Employment Sites Database (LESD) 2024

This conclusion is reinforced by the London Employment Sites Database (LESD) 2024, published in March 2026, which identifies the City as the single largest source of future employment capacity in London. The database identifies capacity for approximately 290,460 jobs between 2024 and 2050, representing around 47% of the total Central Activities Zone capacity of 617,530 jobs. The vast majority of this growth would be accommodated within the City Cluster through the delivery of new office floorspace.

Taken together, the latest evidence on office attendance, labour market growth and employment capacity points towards a future in which demand for office space is likely to exceed the assumptions underpinning the original Return of In-Person scenario. Maintaining sufficient development capacity within the City Cluster will therefore be critical to accommodating this growth. A contour approach that materially reduces opportunities for office development would constrain the City's ability to accommodate the level of employment growth identified in the GLA's own evidence, with adverse implications for productivity, investment and the City's continued global competitiveness.

The heritage impacts of the Historic England proposal and the City Plan proposal

The CPA supports the principle of the City Cluster and the evidence base underpinning its role within the draft City Plan. The question before the Examination is not whether the Cluster should exist, but whether the alternative contour approach proposed by Historic England would achieve a better planning outcome than the contours proposed by the City Corporation.

The Historic England proposal, published in the 6 June 2025 Addendum Statement of Common Ground with the City of London, seeks to amend the proposed height contours within the east and south parts of the City Cluster. The affected areas include locations where substantial tall building development has recently been found acceptable through the planning process, having regard to both adopted and emerging policy. This demonstrates that the City Plan contours reflect an established and evolving cluster form that has already informed investment and development decisions across the Square Mile. The proposed contour reductions would therefore create uncertainty for future development and risk undermining confidence in the plan-led framework that has guided the Cluster's growth to date.

The Historic England proposal has been modelled from River Prospect LVMF View 10A.1, located on the upstream side of Tower Bridge at the North Bastion. This is one of the most sensitive views in assessing the relationship between the City Cluster and the Tower of London World Heritage Site, as it is where the juxtaposition between the historic and modern city is most apparent and where the visual separation between the White Tower and the Cluster is at its narrowest. As such, it provides a robust basis for comparing the City Plan and Historic England contour proposal.

In this view, the City Plan contours create a stepped profile that recedes incrementally from the White Tower, whilst the Historic England contours introduce an earlier and more uniform setback. Although the resulting silhouette differs slightly, both approaches maintain a clear area of sky around the White Tower, preserve visual separation from the Cluster and ensure that the skyline formed by the monument's turrets and castellations remains unaffected. In our view, neither approach would allow development to intrude upon the White Tower's distinctive silhouette and both achieve the primary objective of preserving its visual distinction within the panorama.

View 10A.1 should not, however, be considered in isolation. The experience of the Tower of London is derived from a sequence of views, including representative views from within the Tower of London, River Prospects 11B.1 and 11B.2 from London Bridge and Townscape Views 25A.1-25A.3 from Queen's Walk. Taken together, these views provide a fuller understanding of the relationship between the World Heritage Site and the City Cluster.

Based on our review of the City's modelling, together with professional judgement regarding the likely effect of the Historic England contours, there would be no appreciable difference between the two approaches in Views 11B.1 and 11B.2. In both cases, the clear sky backdrop to the White Tower would be maintained and there would be no material change in the perception of the Cluster in relation to the monument.

A key characteristic of Views 25A.1-25A.3 is the juxtaposition of the Tower of London, Tower Bridge and the modern City skyline. The significance of these views derives from the layering of over 900 years of London's development history, the visual separation maintained through distance, and the contrast between the historic fortress and the commercial centre beyond. In our opinion, both the Historic England and City Plan contours preserve these characteristics. The relationship between the Tower, Tower Bridge and the City Cluster would remain clearly legible, and the protected silhouette of the White Tower would remain unaffected in either scenario.

Similarly, it is considered that the effects of the two contour proposals will preserve the aims of the representative views to and from the Tower of London as identified by Historic Royal Palaces. That is, to exemplify and protect an appreciation of the Outstanding Universal Value of the Tower of London.

Taking these views together, we consider the differences between the Historic England and City Plan contour proposals to be *de minimis* in heritage terms. Both approaches maintain visual separation, preserve the setting and appreciation of the White Tower, and achieve the same heritage outcome for the World Heritage Site. It is therefore difficult to identify any meaningful additional heritage benefit arising from the Historic England proposal when compared with the City Plan approach.

The extent to which each proposal would protect the significance, setting and appreciation of the Tower of London World Heritage Site

For the reasons set out above, the CPA considers that both the City Plan and Historic England contour proposals would successfully protect the significance, setting and appreciation of the Tower of London World Heritage Site and its Outstanding Universal Value. Both contours strike an appropriate balance between the protection of Outstanding Universal Value and the consolidation of the City Cluster form. We therefore consider that both approaches achieve the same heritage objective and that there is no meaningful difference between them in heritage terms.

The Economic Consequences of the Loss of Office Capacity in the City Cluster

The City's analysis indicates that the Historic England proposal would result in the loss of at least c.32,000 sqm NIA of office floorspace within the City Cluster. However, the implications extend beyond the direct loss of floorspace. The proposal would reduce development capacity within London's most significant commercial location at a time when evidence demonstrates strengthening office attendance, robust occupier demand and significant future employment growth. This reduction would occur against a backdrop of tightening supply conditions, including the loss of more than 3 million sq ft of office floorspace across the City between 2018 and 2023 and increasing competition for the highest-quality workspace[4].

A loss of 32,000 sqm NIA equates to approximately 3,600 office-based jobs using the GLA's office density

[4] City Property Association, Space for Change: City of London Deep Dive, 2026

assumption of 8.9 sqm per employee[5]. This represents around 6% of the additional 60,000 office-based FTE jobs assumed under the City's Return of In-Person growth scenario. Applying productivity assumptions of between £100,000 and £200,000 GVA per worker suggests an annual economic impact of approximately £360 million to £720 million in lost economic output.

This impact would occur within a location identified by the GLA as both one of London's strongest centres for future employment growth and the single largest source of future employment capacity. As set out above, the London Employment Sites Database identifies capacity for approximately 290,460 jobs within the City by 2050, with around 99% associated with office development. Future growth is expected to be concentrated in professional, technical, real estate, information and communication sectors, all of which are predominantly office-based.

Strategic role of the City Cluster

The City Cluster performs a unique economic function within both London and the UK. The concentration of financial, professional, legal and business services generates significant agglomeration benefits, enabling firms to access specialised labour markets, clients, business networks and supporting services in close proximity. These benefits contribute directly to productivity, innovation and international competitiveness and cannot readily be replicated elsewhere. As a result, any loss of development capacity cannot simply be assumed to relocate to other parts of London without wider economic consequences.

The City is also one of the most accessible and sustainable locations in the UK for accommodating high-density employment growth. Reducing office development capacity would constrain growth within the location best placed to support it, contrary to the wider objectives of the National Planning Policy Framework and London Plan.

The impact on development viability

Importantly, the estimate of c.32,000 sqm NIA should be regarded as a minimum impact. It reflects only the approximate volumetric reduction arising from the revised contours and does not account for the effect that reduced development capacity may have on scheme viability.

Major development projects in the Square Mile are typically informed by extensive optioneering, balancing lower-risk refurbishment options against the potential benefits of comprehensive redevelopment. For redevelopment to proceed, it must not only be viable but sufficiently attractive when compared with alternative investment strategies. In many cases, that viability depends upon achieving a meaningful uplift in floorspace. Even relatively modest reductions in development potential can alter that balance, reducing the incentive to redevelop and, in some circumstances, resulting in no development at all rather than redevelopment at a reduced scale.

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[5] Greater London Authority, London Employment Sites Database (LESD) 2024, 2026

This consideration is particularly important given the wider viability pressures already affecting the development pipeline, including rising construction costs, financing costs and delivery risks. As such, the ultimate impact of the Historic England proposal could extend beyond the City's provisional estimate and result in a materially greater reduction in future office delivery.

Conclusion

The City Corporation's analysis indicates that the Historic England proposal would result in the loss of at least c.32,000 sqm (NIA) of office floorspace within the City Cluster. However, this figure should be regarded as a minimum impact. The proposal would reduce development capacity in the location identified by the GLA as accommodating the largest concentration of future employment growth in London, whilst also increasing the risk that otherwise viable redevelopment schemes do not proceed. Given our assessment that both contour approaches achieve the same heritage outcome for the World Heritage Site, the CPA does not consider that any limited difference in heritage terms would justify the material economic costs associated with the Historic England proposal.

Note: Please see appendices A & B below (additional x2 pages)

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Appendix A – TfL Rail Tap Data Update (2026)

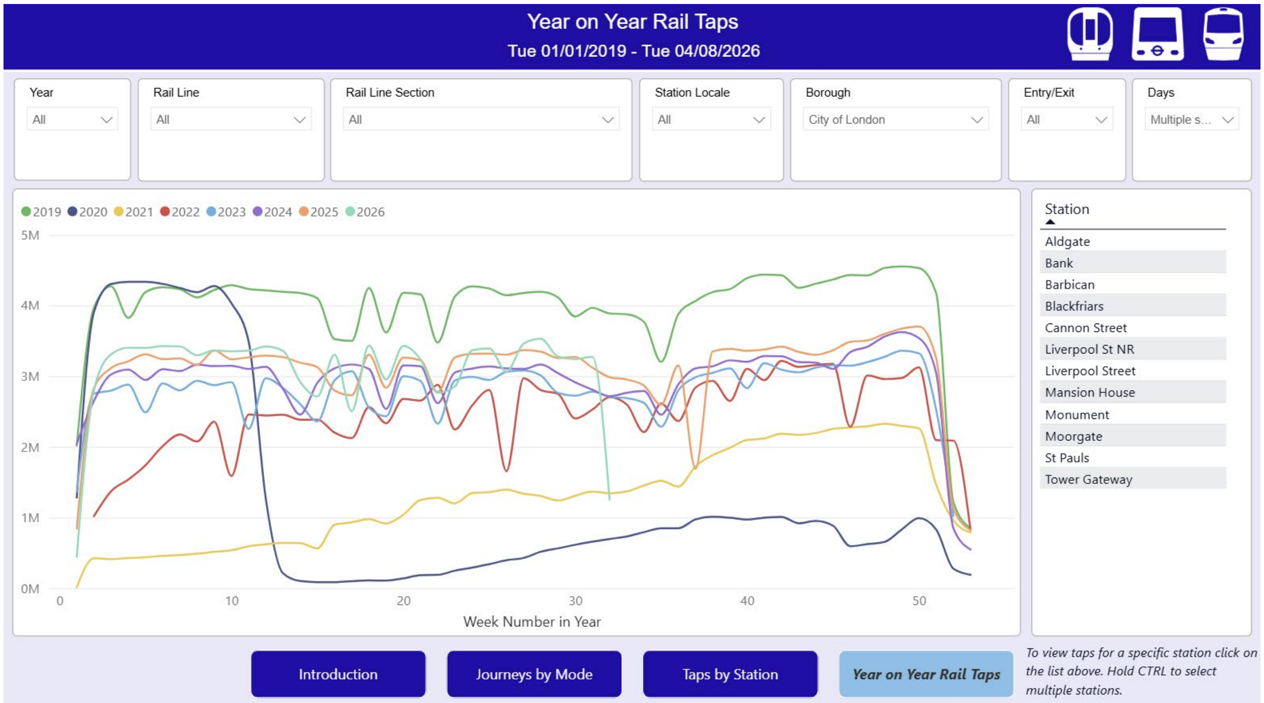

Figure A: Rail Taps, City of London Stations (Weekdays): 2019, 2022, 2023, 2024, 2025 and 2026 (YTD). (Source: Transport for London)

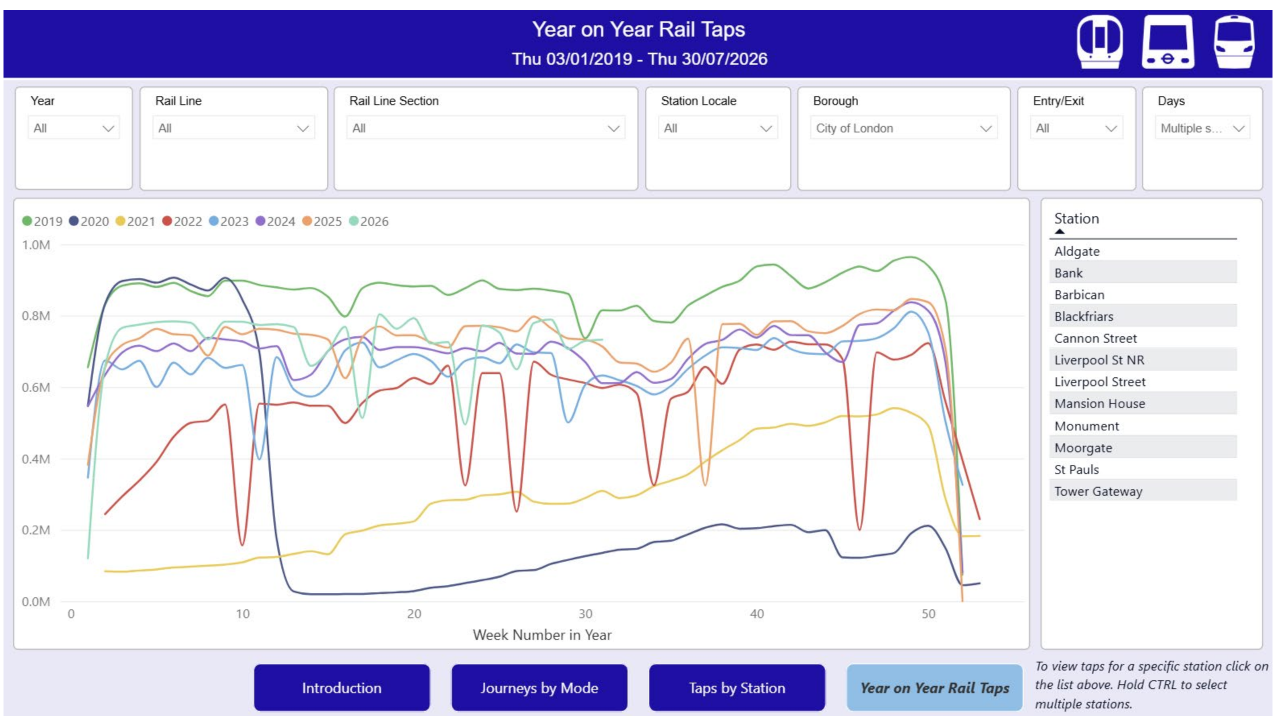

Figure B: Rail Taps, City of London Stations (Thursdays): 2019, 2022, 2023, 2024, 2025 and 2026 (YTD). (Source: Transport for London)

Appendix B - Updated JLL evidence on Rental Growth and Vacancy Rates

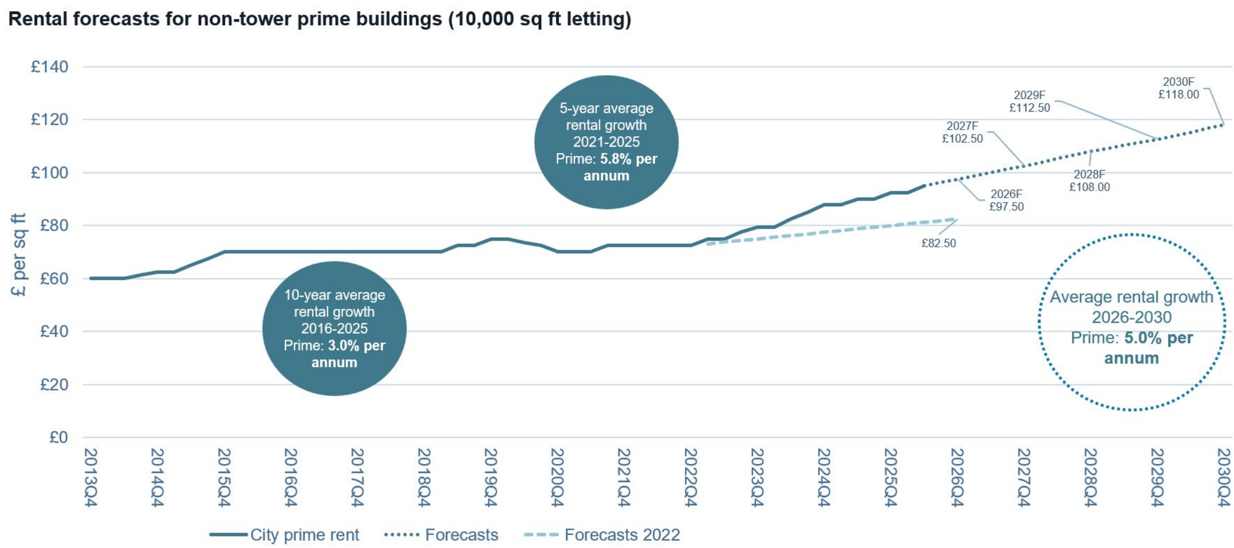

Figure A: Prime City rental forecasts (office buildings). (Source: JLL, 2026)

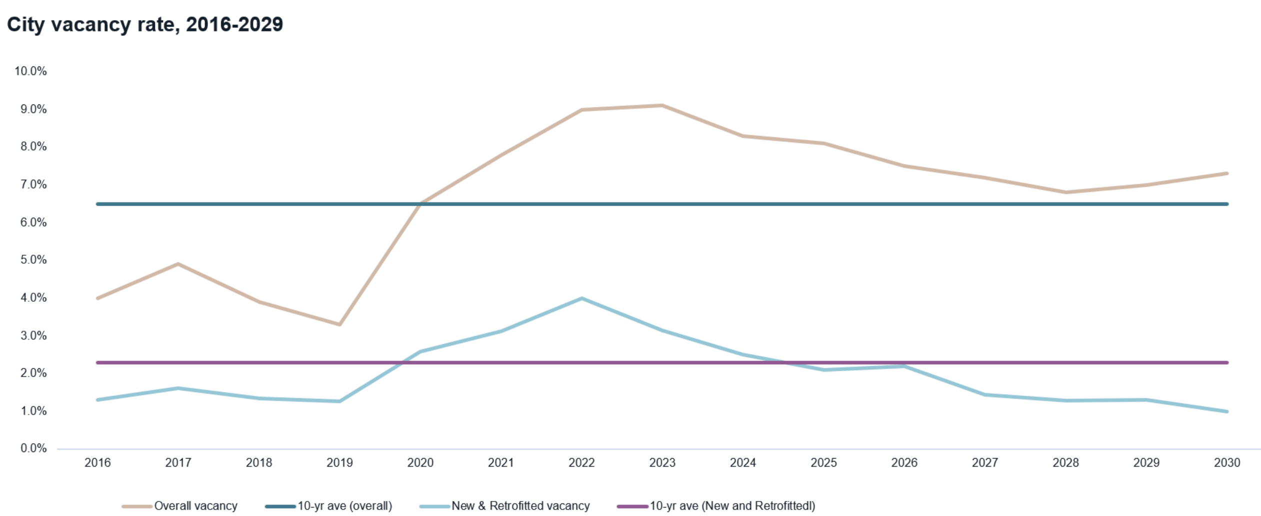

Figure B: Vacancy rate forecast, City vacancy rate 2016-2030. (Source: JLL, 2026)

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