New offices and job announcements expected as Newcastle draws in new companies

Growing interest from firms wanting to set up in Newcastle city centre could see major jobs announcements in the coming weeks plus new developments being put in motion to house them, a development agency has revealed.

InvestNewcastle, part of NewcastleGateshead Initiative, has encouraged a number of companies to set up bases in Newcastle in recent months, with announcements from overseas firms Monstarlab, Thoughtworks and Arctic Wolf bringing hundreds of jobs to the city.

Those projects and more mean the city needs more office space, according to InvestNewcastle director Jennifer Hartley, sparking talks to add three new buildings to the Helix science and business park.

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Ms Hartley has also revealed that announcements on new entrants to the city will be made soon.

Speaking at an event held by property agents Avison Young, Ms Hartley said: “We’ve had a real roll of tech investments with really high levels of average salaries, and we’ve seen the BBC not only commissioning investment across the whole of the North East but also building out their tech hub in Newcastle. We are on a roll – it’s hard to keep up if I’m honest and we are working with these investors to make sure that they are demonstrating social impact, and also look at signing up to our Good Work pledge, making sure they are attracting the

right kind of staff.

“There is obviously the question on talent, bringing all these hundreds of jobs, and we’ve got another four announcements that will come in the next month or two.”

She added: “Last year we had a record year with 2,500 jobs created, the majority of those in the creative, digital and tech space, with a high proportion in life science too, a really key sector for us.

“The issue for us at the moment is the availability of stock. If we look at Helix, we’ve got 106,000sqft in Spark and the same in the Lumen. I think we’re going to be full this year, for both of those.

“We’ve already let 50% of Spark and I think most of the Lumen is out on terms at the moment. Looking at the Biosphere, our purpose built lab space, again that is pretty much full.

Jen Hartley, director of InvestNewcastle

“So we’re talking to investors at the moment about building more buildings. And not just the next building, but the next three buildings so that we’re not in this position again. So demand is high and that’s mixed with newcomers to the market as well as homegrown companies that are expanding at a great rate of knots.”

Her comments came at the Avison Young 2022 Forecast event, exploring the opportunities ahead for Newcastle and the North East.

The event was hosted virtually by the property consultancy, delivered to an audience of more than 100 clients and professionals within the property and development sectors, as well as representatives from a broad range of public sector bodies.

It featured a panel discussion chaired by Gordon Hewling, principal and managing director at Avison Young, Newcastle, with Ms Hartley, Stephen Patterson, chief executive of NE1, Mark Thompson, managing director at Ryder Architecture and Simon Beanland, principal for investment at Avison Young, Newcastle.

Daryl Perry, UK head of insight at Avison Young, said that Newcastle and the wider North East region would see record numbers of people in employment by the end of the year, driven by new entrants to the area.

The company predicts that the local economy will grow by 6.2%, above the pre-covid average of 2.1% per annum, driven by the recovery in accommodation and food services. The firm expects 4,300 jobs to be added to the city's economy during the course of the year – taking total employment to a record high of 211,000 – with around 1,400 of the new jobs in traditionally office-based employment and more than 800 in the accommodation and food services sector.

Mr Perry said: "Last year was proof that, despite ongoing challenges, our cities can and will continue to evolve as our world changes. Despite some headwinds to their economic recovery in the short term, we are seeing our cities regain their status as the common ground where we come together to work, live and play."

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