

Google buying its current UK office for \$1B as Big Tech continues to amass real estate

Article

The news: Despite extended lockdowns and pandemic-related delays to return to work, Google is doubling down on amassing real estate by purchasing some of its UK offices for \$1

billion.

How we got here: Google moved into the mixed-use **Central Saint Giles** compound in central London in 2011 and has purchased the property with plans on renovation and expansion, **per** The Wall Street Journal.

- The Central Saint Giles complex is a cluster of buildings with 408,000 square feet of office space, 25,000 square feet of restaurants, 17,000 square feet of roof terraces, as well as 109 residential units.
- Google is planning a multimillion-dollar refurbishment project to prepare the complex for the needs of its future workplace.
- **Alphabet**, Google's parent company, is currently building a large HQ in **King's Cross**, London, to serve as a hub for Googlers. The combined office space will accommodate **10,000 employees**.
- Similar to other tech companies, Google is expecting to bring employees back into offices with a flexible workweek, although it has **delayed** its return-to-work date.

The bigger picture: Big Tech has the advantage of being able to buy up property and prepare it for employees as they return to work. Google, like **Facebook**, **Microsoft**, and **Amazon**, has been amassing real estate to better position itself for expansion and acquisition.

What's next: Expect Big Tech's **appetite for real estate** to grow in 2022 as various pandemic-related opportunities to own instead of rent present themselves in key cities and hubs.

Whether it's as a form of investment or to control their business environment, companies like Google will continue to look at strategic real estate expansion.

Industries that Offer the Most Potential According to US Investors, Q3 2020 & Q3 2021

% of respondents

	Q3 2020	Q3 2021
Information technology	47%	45%
Healthcare	57%	41%
Energy	26%	37%
Real estate	23%	32%
Financials	23%	29%
Communication services	27%	23%
Consumer staples	33%	21%
Utilities	20%	20%
Industrials	15%	19%
Materials	15%	18%
Consumer discretionary	14%	16%

Note: this quarter, respondents were asked to select their top three

Source: E*trade, "E*trade Financial Q3 2021 Streetwise Report" conducted by Dynata, July 12, 2021

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