



Invest Newcastle Annual Review 2023/24



Introduction

The 2023/24 financial year has seen high levels of interest in Newcastle and Gateshead as an attractive destination for domestic and international investors.

A total of 29 new companies chose to open an employment site in the city, with a further 23 deciding to expand their existing footprint. This resulted in the creation of 1,732 new job opportunities for our residents.

Over the last 11 years, NewcastleGateshead Initiative (NGI)'s inward investment team have supported the creation and safeguarding of around 16,000 jobs in Newcastle and Gateshead.

Earlier this year, the team was also ranked 1st for foreign direct investment (FDI) strategy for the second year running in the mid-sized city category of fDi Intelligence's European Cities and Regions of the Future Awards.

Looking ahead to 2024/25, the team expect to see strong inward investment flows as the economic outlook improves and companies resume their investment plans.

The establishment of the North East Combined Authority will also help make the region a more attractive proposition through policy interventions such as the North East Investment Zone.

Thanks to all our partners for their continued support.



Market Insights

The UK continues to be an attractive market for foreign direct investment (FDI), with 985 project successes in 2023 – 17.3% of Europe's total inward investment market. At a time of rising global competition, the UK continues to be a leading investment destination with strong foundations across emerging industries such as digital technology, life sciences and clean energy.

The UK also leads Europe in terms of job creation, with an estimated 52,200 opportunities created from FDI in 2023.

In Newcastle and North East England, we continue to see a reflection of the national picture, with overall project numbers slightly down from pandemic-era highs, but job creation holding up strongly.

We are also seeing an acceleration of what we are describing as innovation-led investment, where companies are choosing to locate in the area to access the skills base, research and development capabilities of the universities, and partner with cutting edge organisations like National Innovation Centre for Data (NICD) and the Defence Security and Technology Laboratory (Dstl).

Moreover, the North East's strategic location as a maritime hub for offshore renewable energy is driving significant interest from global energy companies, while initiatives to expand the region's creative industries sector, led by North East Screen, Generator and New Writing North, are drawing major players in TV & film, music and publishing.



Impact

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**29 new
investments**

**1,732
jobs created**

**160
investment
projects
added to the
pipeline**

**23 company
expansions**

**Ranked 1st
in Europe for
FDI strategy
by fDi
Intelligence**

**Contributed
to
Harrington
Review of
FDI**

**88 pieces
of unique
media
coverage**

**50m
cumulative
potential
audience
media reach**

**£1.1bn
potential
capital
investment
value**

New Investments in 2023/24

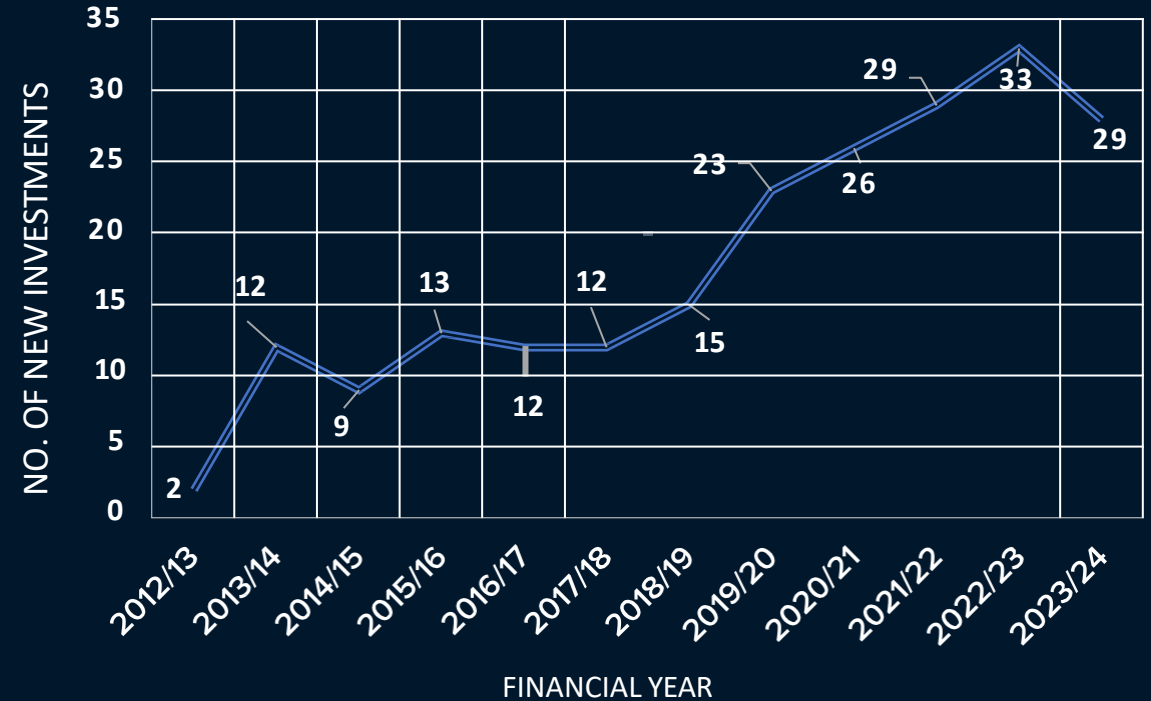
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The total number of new companies investing in Newcastle and Gateshead in 2023/24 was 29.

This is consistent with the long-term average and the second highest figure since Invest Newcastle was established in 2013.

The top reasons cited by companies for choosing Newcastle and Gateshead included access to talent and skills, access to research and development and access to connectivity and infrastructure.

Market conditions continue to be the biggest factor impacting investment decisions, with some companies citing high interest rates and an uncertain economic outlook as reasons for delaying their expansion plans.



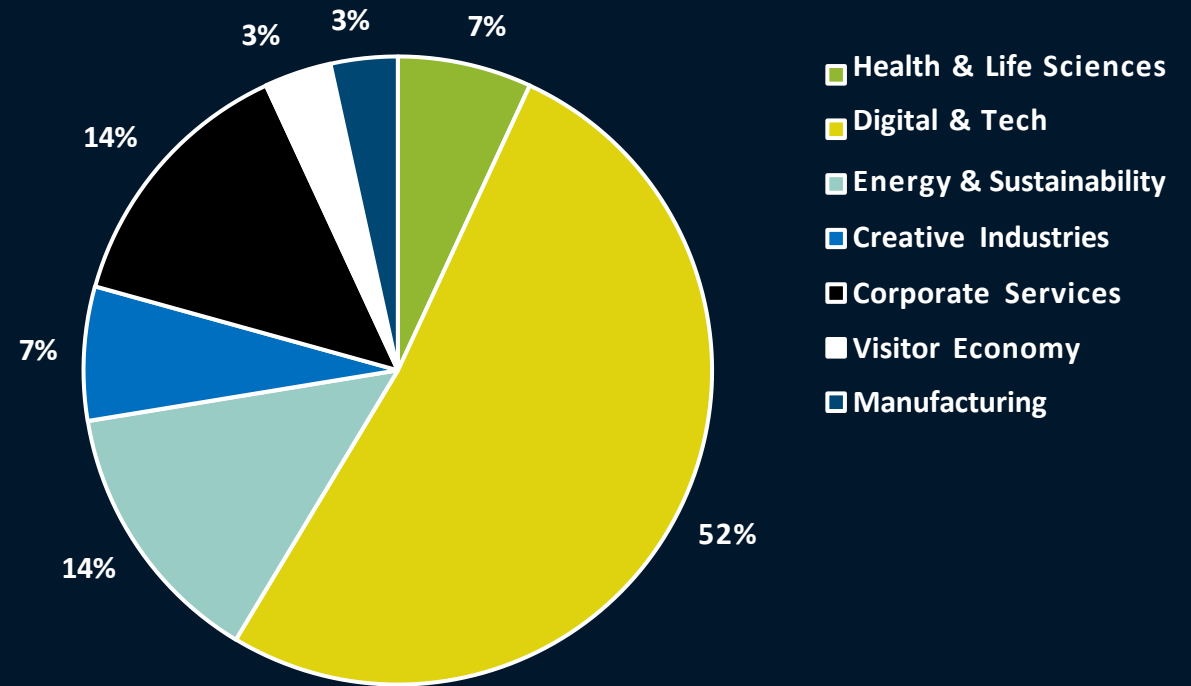
New Investments: Sector Split

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Of the new companies that invested in Newcastle and Gateshead, over half (52%) came from the digital and tech sector, with 14% coming from energy and sustainability and corporate services and 7% coming from health and life sciences and creative industries.

Key investments from the digital and tech sector included American communications consultancy Omnicom Media Group UK (OMG), Belgian fintech Paynovate and Norwegian games development studio Red Rover Interactive.

Swiss wealth management company Julius Baer also established an office in the city as did Norwegian energy company Gren Energy.



New Investments: Geographic Split

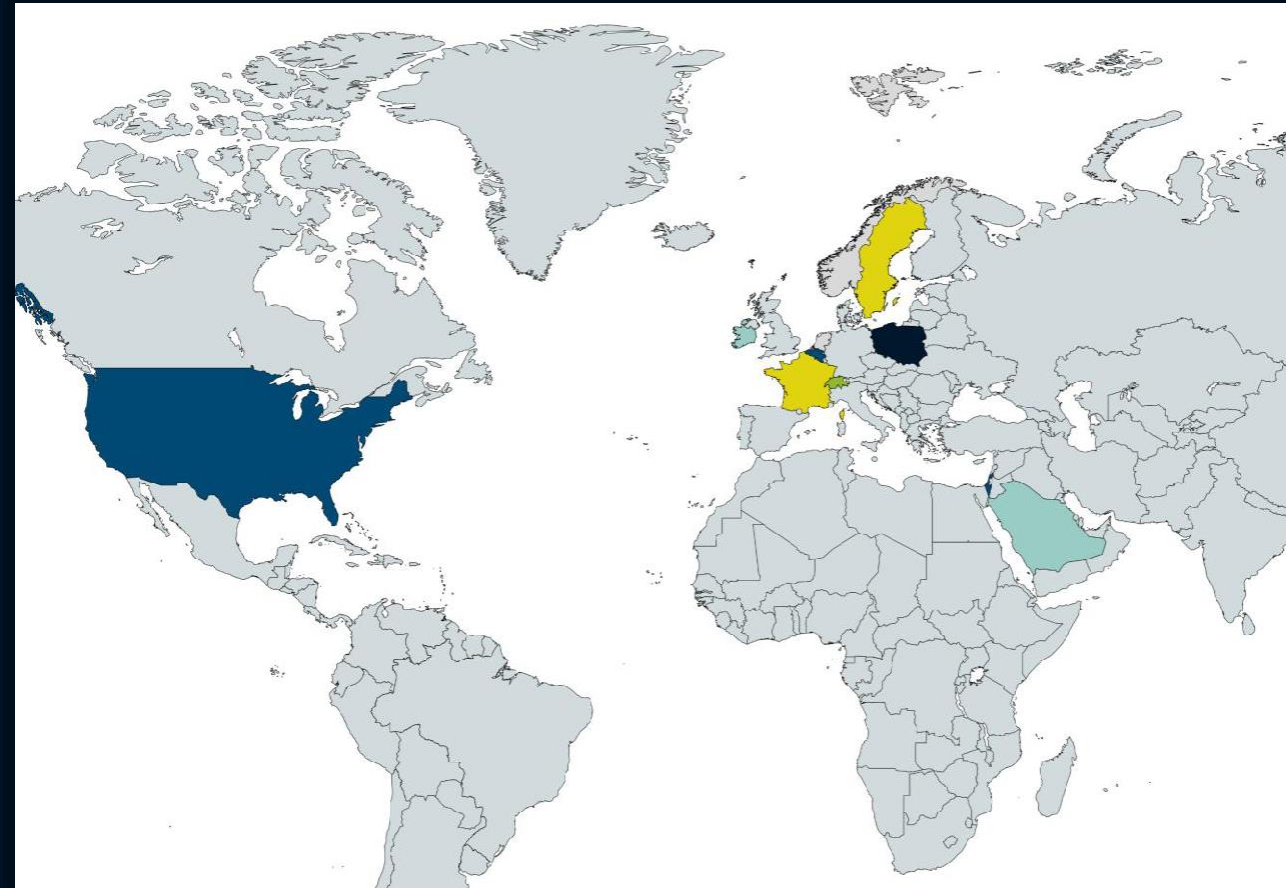
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35% of the total inward investment attracted to Newcastle and Gateshead in 2023/24 came from foreign owned companies.

This includes global space and security company, Lockheed Martin Space UK, which has partnered with Northumbria University to build a space skills and technology centre, and global communications consultancy, OMG UK, which has opened an office in the city, creating up to 170 jobs. Both companies are headquartered in the US.

Notable expansions included Swedish mobile gaming company, LeoVegas, which is creating 90 new jobs, and British fintech company, Pockit, which is creating 70 new jobs.

Positively, the geographic footprint of new investments matched our primary international markets, demonstrating that the right locations are being targeted (US, KSA, Nordics, Northern Europe).



New Jobs Created

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The 29 inward investment successes in 2023/24 resulted in 793 new job opportunities being created.

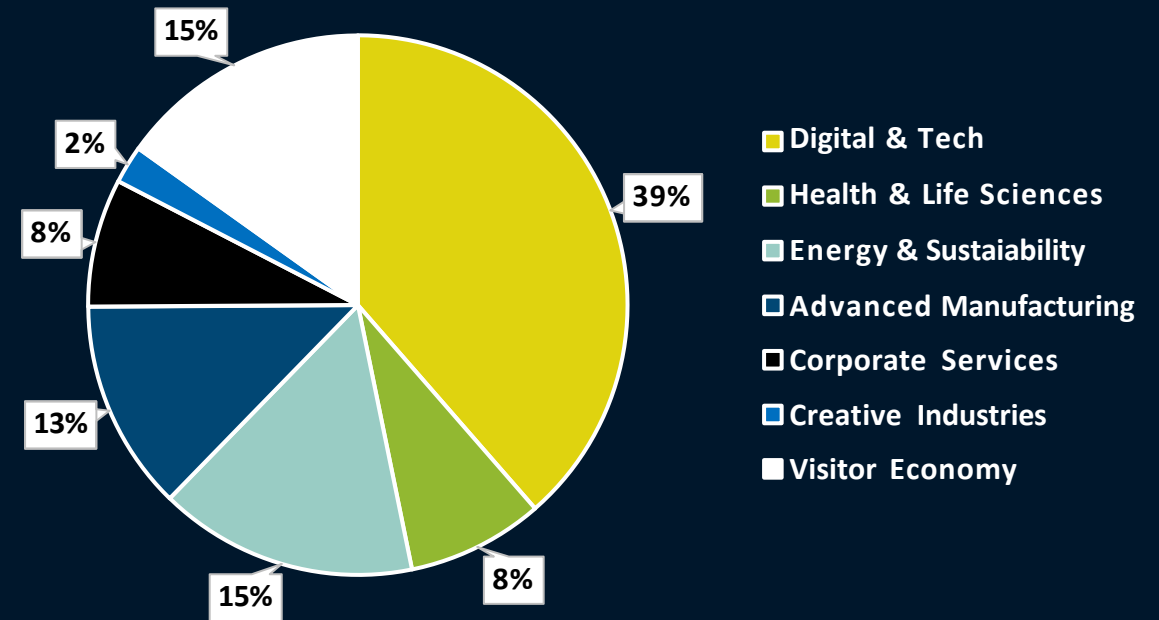
39% of these jobs were in the digital and tech sector, including OMG UK, which was the year's single biggest inward investment, creating up to 170 jobs.

Other notable employment commitments include Evans Property Group, which is creating 120 jobs at the new Dakota Hotel on Newcastle Quayside, and Inhealthcare, which is creating 50 jobs to set up its 'Vista' Private Diagnostic Clinic in the city.

The 23 expansion successes in 2023/24 resulted in 939 jobs being created, a 62% increase year-on-year.

Notable expansions include Newcastle United, which is creating 200 new jobs through investment in its operations and new facilities at St James' Park.

JOBS CREATED: SECTOR SPLIT (NEW INVESTMENTS)



New Expansion Projects

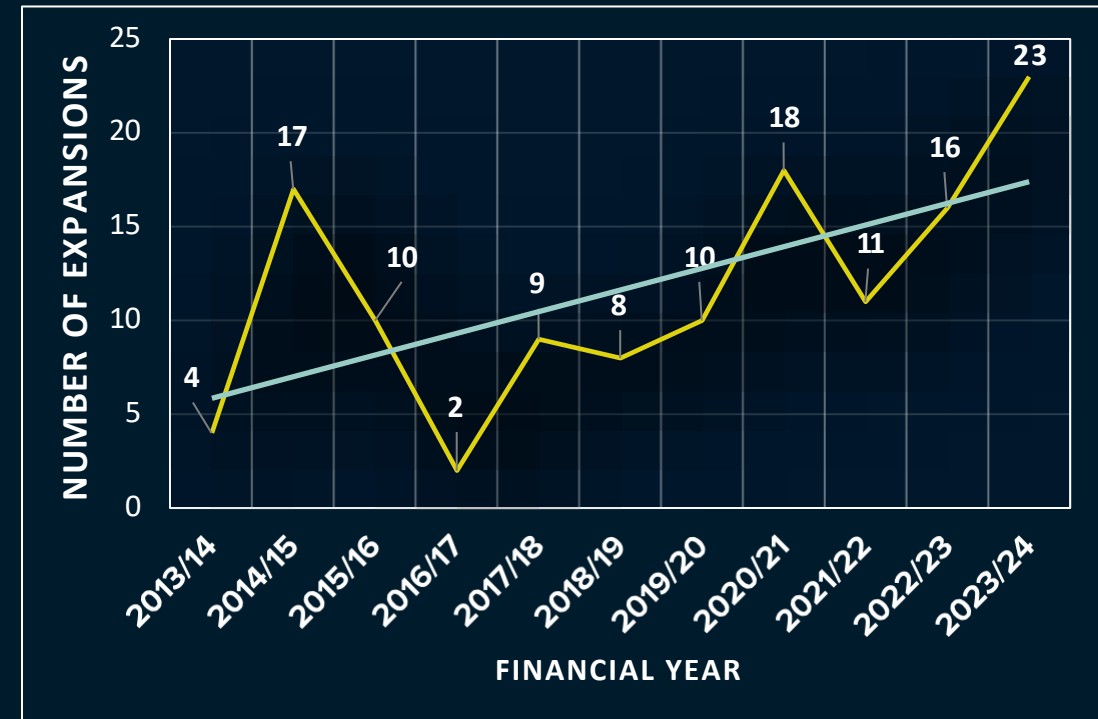
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The total number of company expansions in 2023/24 was 23, which is the highest number since NGI's inward investment programme started in 2013.

Many of these companies were supported by our dedicated key account manager, who worked directly with foreign owned businesses like mobile gaming company LeoVegas, which created 90 new jobs, and defence and security company Responsive Engineering, which created more than 30 jobs.

The high number of expansions over the year reinforces the need to provide inward investment companies with advice and support after they have landed so that they can grow their local workforce and client base.

We are supported by the Department for Business and Trade to deliver account management to foreign owned companies in Newcastle and Gateshead.



Investment Pipeline

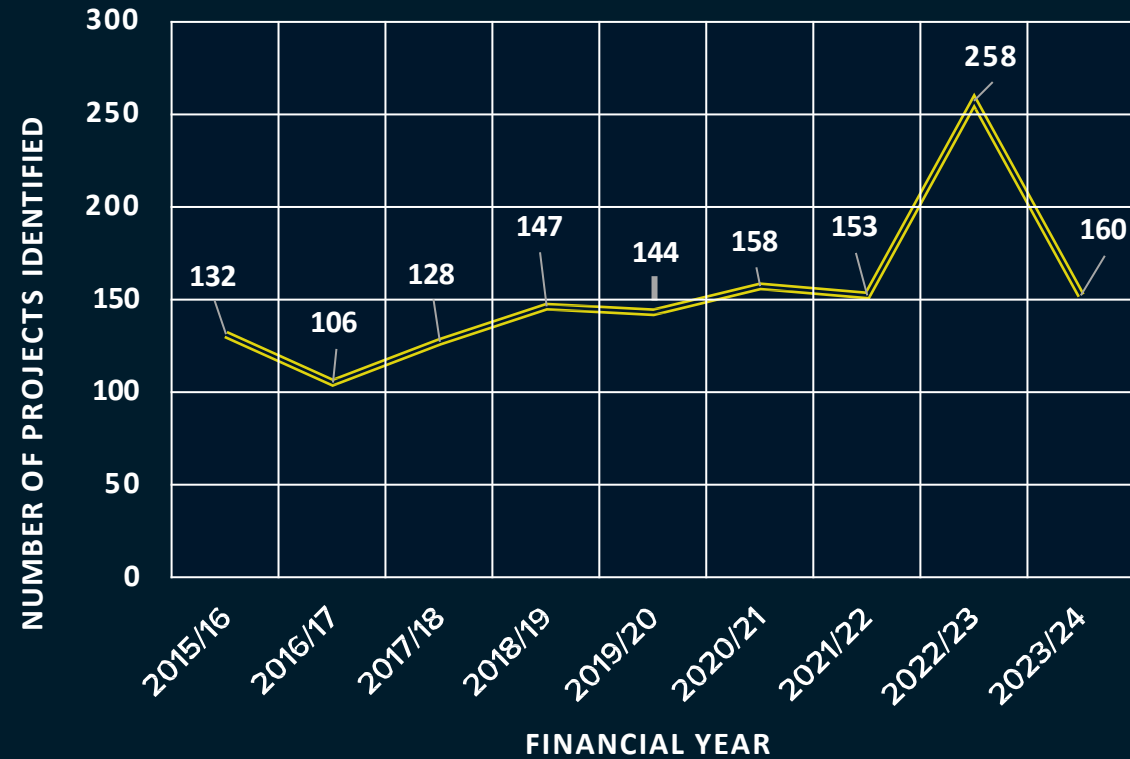
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The number of new investment projects added to the pipeline in 2023/24 was 160.

This figure is 38% down on 2022/23, reflecting a broader slowdown in the global investment market following the end of the COVID-19 pandemic, which saw a large spike in new enquiries across the board.

Despite adverse macroeconomic conditions, the 160 new projects added to the pipeline was still the second highest number added since 2013.

We expect that the number of new projects added will rise quickly over the next 12 months as the market stabilises and companies resume their investment plans.



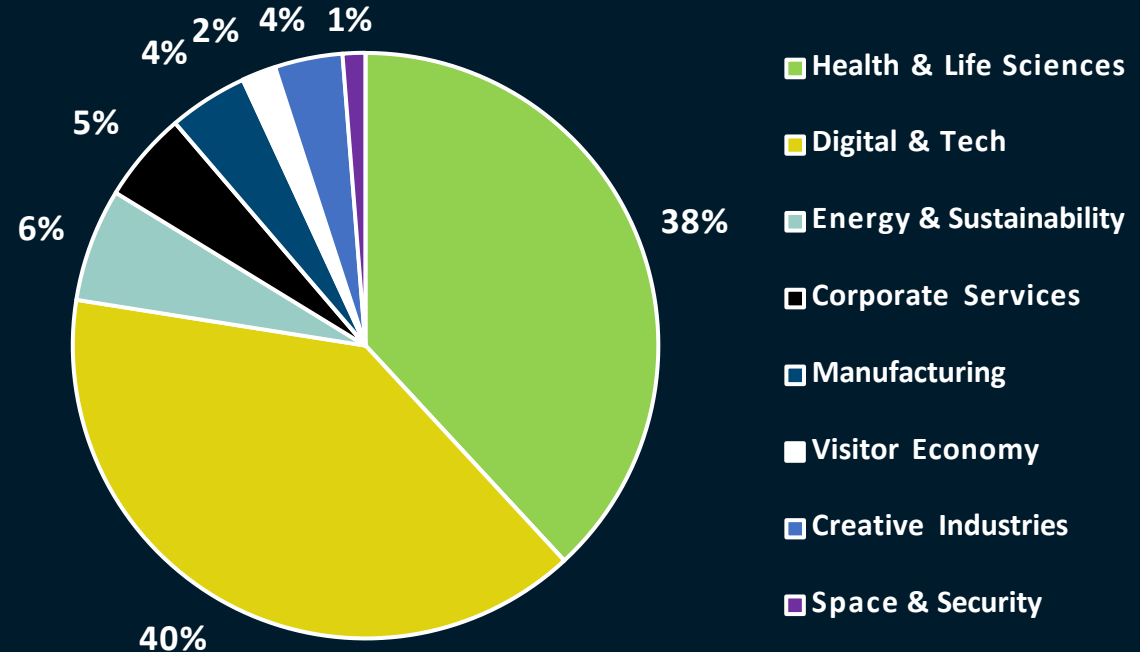
Investment Pipeline: Sector Split

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Of the 160 new projects added to the pipeline in 2023/24, 120 of them were in the health and life sciences and digital and tech sectors.

Recording around 60 new projects each, both of these sectors have been led by dedicated sector specialists as part of the North East Combined Authority's investment programme.

The remaining 40 projects were split across other key sectors, including emerging areas of strength such as the creative industries, space and security.



Real Estate

The real estate market in Newcastle and Gateshead performed strongly in 2023/24, with large lettings across high quality developments such as Bank House, One Strawberry Lane, Portland House and Newcastle Helix.

Demand is also increasing for serviced office accommodation, with many new investors choosing to locate in flexible or coworking spaces such as Wizu at Portland House, Cubo at Bank House and Orega at St James Gate, which were all new to the city in 2023.

Total office take up in 2023/24 was 220,391 sq ft, with 44 deals completed. Prime office rents have also risen to £32 per sq ft, the highest rate of increase across all major regional UK cities. This upward trend highlights the flight towards quality accommodation, with Grade A space making up 63% of total take up in 2023.*

Looking ahead, exciting new real estate products are coming to the market, including The Pioneer and The Pattern Shop at Founders Place and the next phase of commercial lab space on Newcastle Helix.

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*Source: Knight Frank,
2023/24



Capital Investment

NGI has a strong track record of leading regional public-private delegations to national and international events.

In 2023/24, the team worked with more than 40 North East organisations to participate in three major capital investment conferences: MIPIM in Cannes, UKREiiF in Leeds and EXPO Real in Munich.

At each of these events, we presented a comprehensive pitchbook of real estate opportunities to institutional investors including Legal & General, Aviva Investors, BlackRock, Capital & Centric, M&G, Phoenix Group and Landid, each of which has hundreds of millions to deploy in the UK.

The potential investment value of business leads generated through our capital investment activity in 2023/24 was around £1.1bn.



Development Pipeline

In 2023/24, a number of strategic development projects took major steps forward across Newcastle and Gateshead, including:

- Forward funding for 500 homes on Forth Yards
- Breaking ground on £500m Health Innovation Neighbourhood
- Launch of The Pattern Shop at Founders Place
- £65m investment in transforming Eldon Square
- Development of 90-bed 5* hotel on Pilgrim Street
- Development agreement for 375 homes on Newcastle Helix
- £40m refurbishment programme at Fenwick
- Investor secured for next phase of The Biosphere lab space



Beyond Investment

In October 2023, NGI launched Invest Newcastle's first investment prospectus, bringing together the city's strategic sites and development opportunities into a visually striking interactive digital platform.


The prospectus was launched at EXPO Real in Munich and has evolved for subsequent shows to include a regional profile of investment opportunities.

Places

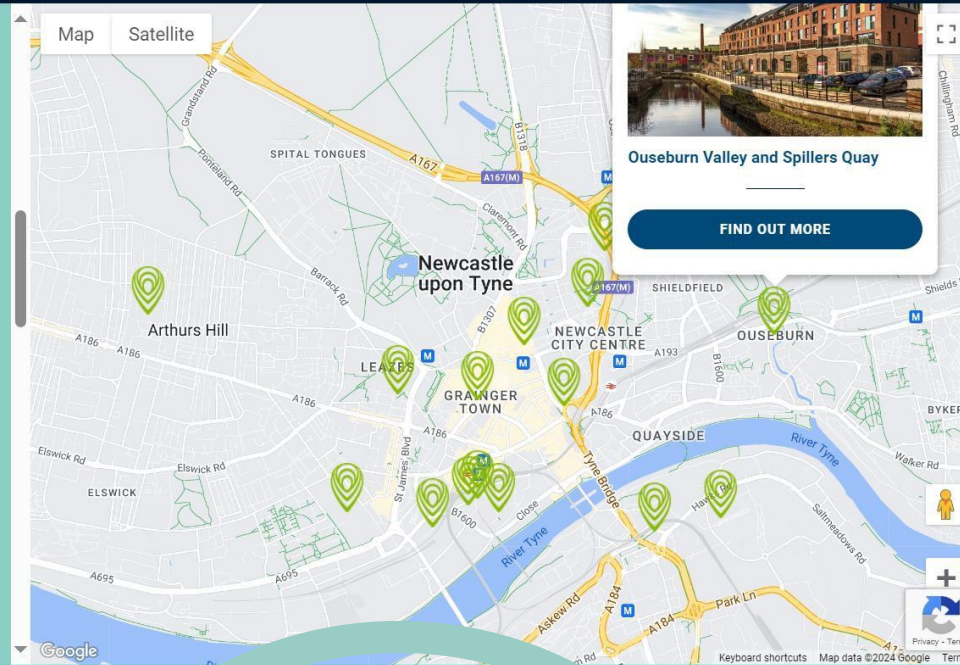
BEYOND INVESTMENT




Health Innovation Neighbourhood
A place where research meets intergenerational living



Ouseburn Valley and Spillers Quay
A cool and contemporary neighbourhood



Fenwick Newcastle
A retail icon investing in the future



Newcastle Helix
A state-of-the-art innovation hub
NE4 5TF

Media/PR

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NGI secured 88 media mentions for Invest Newcastle in 2023/24, generating a cumulative potential audience reach of more than 50m.

- [Omnicom Media Group launches Newcastle office | News | Research Live \(research-live.com\)](#)
- [Belgian fintech chooses Newcastle as base to tackle UK market - Business Live \(business-live.co.uk\)](#)
- [Kinewell Energy set to create jobs after launching Newcastle city centre head office - Business Live \(business-live.co.uk\)](#)
- [BAFTA-winning production company establishes North East HQ | Insider Media](#)
- [Newcastle unveils life science investor opportunity | Insider Media](#)



Case Study: OMG

Omnicom Media Group UK (OMG) is part of one of the world's largest communications groups.

In 2023, the company announced plans to open a new office in Newcastle, creating up to 170 jobs over the next three years.

Headquartered in London, OMG UK's investment in Newcastle follows the successful launch of another Omnicom Group agency, Credera, in 2022.

OMG was supported from the outset by Invest Newcastle in choosing Newcastle for its next UK office, with the team working closely with the group to showcase the fantastic digital innovation ecosystem the city has to offer.

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Case Study: Paynovate

Paynovate is a Belgian e-money institution working across Europe and the UK to provide a trusted and regulated platform to power payment solutions.

In 2024, the company announced plans to open an office in Newcastle to serve as the launchpad for its UK operations.

Over the past decade, Paynovate has grown from a single payment processing contract provider into an established acquirer processing over €200m per month.

Paynovate was supported by Invest Newcastle as they established their operations in the city, with introductions to key partners and connections to the regional tech ecosystem.

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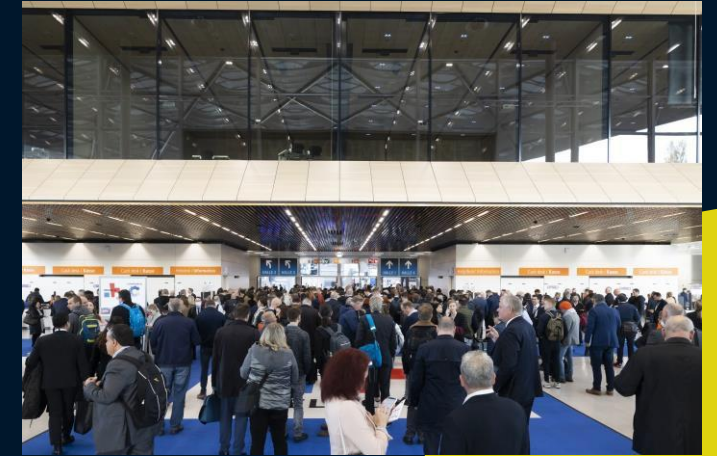
International Activity

Attending international events and engaging with new markets is critical to identifying and attracting inward investment into Newcastle and Gateshead.

In 2023/24, the team were present at many sector-specific international trade shows, including:

- Money 20/20 in Amsterdam
- Smart City Expo in Barcelona
- MEDICA in Dusseldorf
- IMEX in Frankfurt
- World Arabian Travel Market in Dubai

The team also welcomed international delegations from the Nordics, Africa, the US, Canada and KSA.



Thanks to our supporters



Summary

Securing inward investment is a crucial part of our work at NGI and we are delighted to have supported the creation of 1,732 new job opportunities for our residents in 2023/24.

As businesses working across Newcastle and the North East embark on an exciting new chapter post- devolution, we know that our investment proposition has never been stronger. What makes the North East such a great place to invest is the fantastic people who call the region home. We are privileged to work with many of them through our campaigns and partnerships and believe that their dedication, aspirations and creativity will continue to drive our success.

Looking ahead, we are committed to building on this momentum by fostering an environment that attracts even more innovative companies and investors to our region. Collaborating with our public and private sector partners, we aim to create a thriving and inclusive economic landscape that offers opportunities for everyone.

Thank you to all our partners, stakeholders, and the incredible people of the North East for their ongoing support and contributions. Together, we are shaping a prosperous future for our region.

Jennifer Hartley MBE, Director of Investment, NGI
John Marshall, Chair, NGI





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<https://investnewcastle.com>

<https://beyond.investnewcastle.com>

