

LONDON OFFICES

CITY
SPOTLIGHT

Q3 2019

CITY MARKET **OVERVIEW**

KEY THEMES

Rising turnkey space being delivered to compete with serviced offices

Occupiers moving earlier to secure prelets, especially for larger space

Investment volumes recover and stock under offer rises to 12 month high of over £1.2 bn

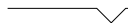
KEY STATS

City rents remain stable at £72.50 per sq ft

Vacancy rate in the City is 5.0%

Active demand across the City sits at 5.6 m sq ft

Prime City office yields have compressed by 25bps to 4.25%



CITY LEASING OVERVIEW

sq ft	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	% change		Long-term average
						3m	12m	
Take-up	1.67 m	2.24 m	1.40 m	1.62 m	1.90 m	17%	14%	1.81 m
Availability	7.99 m	6.69 m	6.53 m	6.08 m	6.14 m	1%	-23%	8.64 m
Vacancy Rate	6.6%	5.5%	5.3%	4.9%	5.0%	n/a	n/a	7.4%
Active Requirements	4.65 m	4.15 m	4.32 m	5.05 m	5.58 m	10%	9%	4.21 m

CITY INVESTMENT OVERVIEW

£ bn	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	% change		Long-term average
						3m	12m	
Turnover	2.82	2.82	1.00	0.82	1.75	113%	-38%	£2.05 bn
Availability	1.68	1.12	2.04	2.18	2.04	-6%	21%	£2.02 bn
Under Offer	1.57	0.77	0.48	0.94	1.24	32%	-21%	£1.37 bn

KEY CITY LEASING DEALS

Building	Sq ft	Rent (per sq ft)	Occupier
One Braham, E1	309,632	£59.50	British Telecommunications Plc
22 Bishopsgate, EC3	99,297	Conf.	Convene
City Place House, 55 Basinghall Street, EC2	87,138	Conf.	Knotel UK Ltd
22 Bishopsgate, EC3	74,625	Conf.	Cooley (UK) LLP
68 King William Street, EC4	61,964	£68.00	Spaces

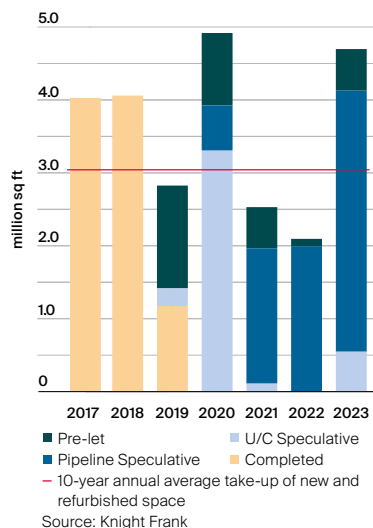
KEY CITY INVESTMENT DEALS

Building	Price	£ per sq ft	Yield
8 Finsbury Circus, EC2	£260.00m	1,464	4.0%
81 Newgate Street, EC1	£209.55m	693	N/A
280 Bishopsgate, EC2	£191.50m	701	N/A
Forum St Paul's, EC2	£80.75m	1,249	4.46%
Blackfriars Crown Court, SE1	£65.25m	291	N/A

SUBMARKET PRIME HEADLINE RENTS

Submarket	Prime Headline Rent (per sq ft)
WEST END CORE	£112.50
MARYLEBONE	£95
FITZROVIA	£92
SOHO	£90
KING'S CROSS/EUSTON	£85
VICTORIA	£80
COVENT GARDEN	£80
SHOREDITCH/FARRINGDON	£79.50
PADDINGTON	£77
MIDTOWN	£72.50
CITY CORE	£72.50
SOUTHBANK	£70
ALDGATE/WHITECHAPEL	£60
VAUXHALL/BATTERSEA	£57.50
WHITE CITY	£52.50
CANARY WHARF	£49.50
STRATFORD	£44

DEVELOPMENT PIPELINE



CONTACTS

HEAD OF LONDON OFFICES

William Beardmore-Gray

william.beardmore-gray@knightfrank.com

+44 20 7861 1308

CO-CHAIR LONDON OFFICES

Philip Hobley

philip.hobley@knightfrank.com

+44 20 7861 1192

Angus Goswell

angus.goswell@knightfrank.com

+44 20 7861 5150

LONDON CAPITAL MARKETS

Nick Braybrook

nick.braybrook@knightfrank.com

+44 20 7861 1309

Anthony Barnard

anthony.barnard@knightfrank.com

+44 20 7861 1216

LONDON LEASING

Dan Gaunt

dan.gaunt@knightfrank.com

+44 20 7861 1314

Ian McCarter

ian.mccarter@knightfrank.com

+44 20 7861 1506

LONDON TENANT REPRESENTATION

Richard Proctor

richard.proctor@knightfrank.com

+44 20 7861 5159

LONDON LEASE ADVISORY

Simon Austen

simon.austen@knightfrank.com

+44 20 7861 1341

STRATEGIC ASSET MANAGEMENT

Tim Robinson

tim.robinson@knightfrank.com

+44 20 7861 1194

VALUATIONS

Rupert Johnson

rupert.johnson@knightfrank.com

+44 20 7861 1284

STRATEGIC CONSULTANCY

Neil McLocklin

neil.mclocklin@knightfrank.com

+44 20 3909 6836

FLEXIBLE OFFICE SOLUTIONS

Amanda Lim

amanda.lim@knightfrank.com

+44 20 3826 0661

LONDON RESEARCH

Faisal Durrani

faisal.durrani@knightfrank.com

+44 20 7861 1234

Victoria Shreeves

victoria.shreeves@knightfrank.com

+44 20 3826 0636

Hayley Blackwell

hayley.blackwell@knightfrank.com

+44 20 7861 1241