London Office Market Report

Q4 2023

Latest insights on the state of the London office market

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Executive Summary

Key Themes

1.

Quarterly take-up at five-year high.

2.

Active requirements at a 10-year high.

3.

Pick-up in investment volumes as interest rates peak.

The post-pandemic recovery in the London office market gathered pace last quarter as the volume of lettings rose to the highest level in five years. The key driver of performance remains the occupier taking flight to better quality offices, illustrated by a record level of new and refurbished take-up at 2.59m sq ft and representing 66% of all lettings. The 'supply squeeze' for best-in-class space continues to fuel rental growth, and we expect this to intensify given more than 25m sq ft of upcoming lease expiries and with named requirements at a 10-year high.

Take-up across London rose by 31.7% in Q4 to 3.92m sq ft, a five-year high and 32% above the quarterly long-term trend. Strong lettings were evident across the market, with above trend take-up in half of London's submarkets. The core submarkets of the City Core and the West End Core remain the locations with the highest level of lettings – accounting for c.55% of all lettings in Q4 compared with almost 60% in Q3.

Whilst the focus on core submarkets eased slightly last quarter, the office market remains bifurcated by quality. Historically, secondary quality offices are the engine of the market, but the post-pandemic period (2020 onwards) has brought a structural shift in occupier demand towards better quality offices. Since Covid, new and refurbished take-up has grown by just under 30%, whilst the take-up of second-hand offices has fallen by just under 45%.

TAKE-UP DOMINATED BY FINANCIALS

Buoyed by the largest deal in London since 2018 – HSBC completing at Panorama St Paul's (520,000 sq ft) – the financial services sector accounted for 45% of take-up. Even excluding the HSBC deal, take-up across London would have been almost 3.5m sq ft and above the long-term quarterly trend of 3m sq ft.

The next two largest occupier groups driving take-up were the professional services sector, accounting for 16%, and the technology, media and telecoms (TMT) sector, which accounted for 11% of take-up.

Lettings are above the long-term trend for the financial and professional services sectors. TMT sector take-up is below trend – mainly owing to the absence of the tech titans – but it still represents a sizeable portion of the lettings market.

ACTIVE DEMAND AT A 10-YEAR HIGH

Near-term active demand is at a 10-year high and some 35% above long-term trend, standing at almost 12m sq ft. Financial services, professional services and TMT continue to be prevalent. Significantly, there are 50 requirements seeking more than 50,000 sq ft and 80% of these requirements are from occupiers seeking more space than they currently occupy. This suggests near-term demand is likely to generate positive net absorption. This aligns with our recent analysis of 102 large transactions in the London market since 2021, which illustrated that most occupiers were increasing their office footprints and that, consequently, these deals had delivered 1.1m sq ft of positive net absorption to the market.

> “The under-construction pipeline clearly falls short of average levels of take-up for new and refurbished space, and we estimate an under-supply of the best quality office space of 5.3m sq ft by 2026.”

PRIME AVAILABILITY REMAINS TIGHT

Available floorspace has fallen slightly for two consecutive quarters and now stands at just below 25m sq ft. This translates to a 9.9% vacancy rate, less than 3% above trend. Unsurprisingly, after a strong quarter of lettings, available space under offer has fallen to 2.47m sq ft. Assuming these deals convert to actual transactions, the vacancy rate in London would fall to 8.8%.

Available new and refurbished buildings account for a much smaller share of overall availability in many London submarkets. Available new and refurbished buildings are less than 50% of total availability, in three-quarters of the submarkets of London. New and refurbished availability reflects a vacancy rate of 5.6%, below the total vacancy rate of 9.9% in London.

Comparing active demand with current levels of available space shows there are limited choices for larger sized offices. This is particularly the case for requirements seeking more than 100,000 sq ft. There are currently 57 requirements above 60,000 sq ft and only 56 available offices.

SUPPLY SQUEEZE ACROSS LONDON

The under-construction pipeline fell by 6% last quarter to 15.4m sq ft – all of which completes by 2026. Just over 11m sq ft is being built speculatively, with the remaining 4.4m sq ft already pre-let. The under-construction pipeline clearly falls short of average levels of take-up for new and refurbished space, and we estimate an under-supply of the best quality office space of 5.3m sq ft by 2026. Potential schemes (consented projects) that are ‘most likely’ to be built increase the speculative pipeline by a modest 3.7m sq ft and extend the delivery timeline to 2028.

We expect under-supply across most London submarkets, with the greatest potential shortfall occurring in the City Core, King’s Cross/Euston and Clerkenwell/Farringdon.

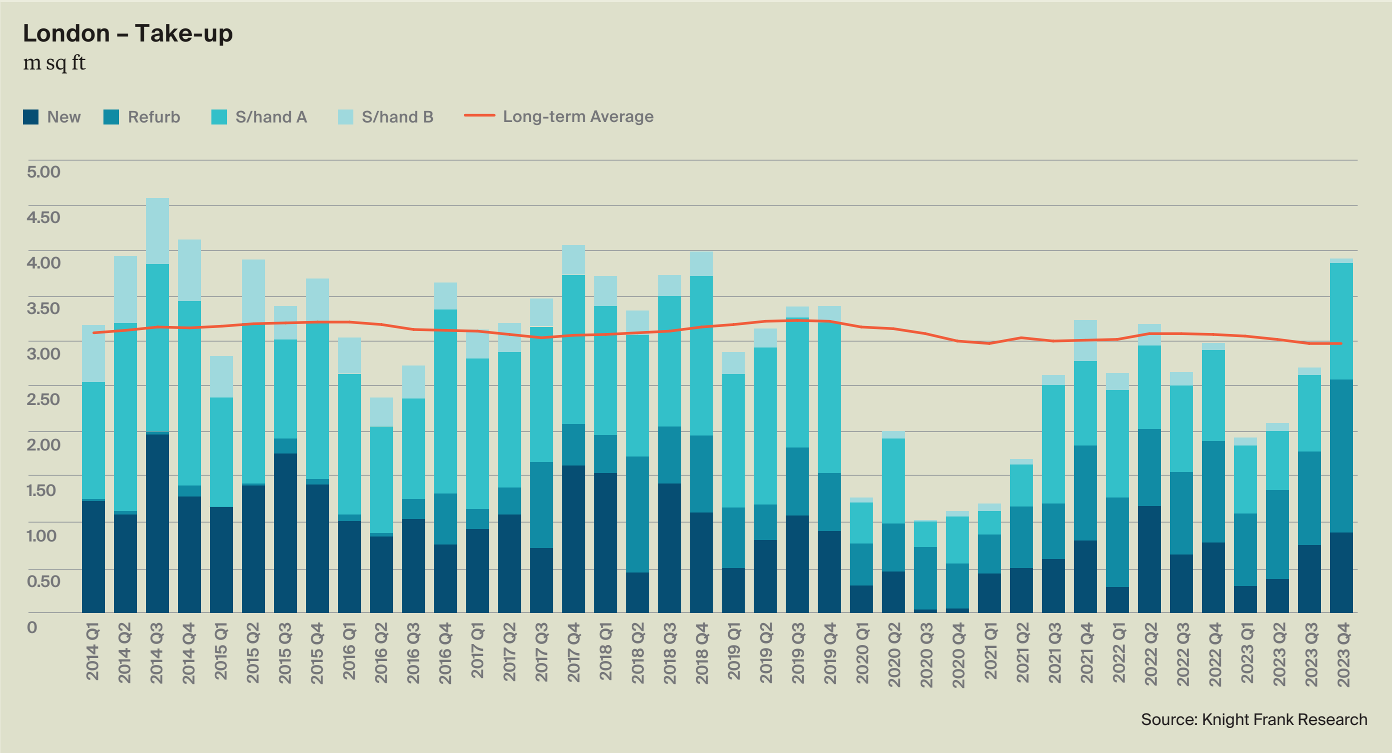
RESETTING PRIME RENTS

Since the pandemic there has been a rise in best-in-class transactions where the achieved rents have been significantly above the average market prime rent. We analysed these transactions to identify their common characteristics and this has prompted us to reset how we determine prime rents.

The key changes to our definition reflect a sharper focus on office lettings that are highly sustainable, amenity rich and centrally located. As a result of this change, we have raised prime rents in most submarkets. For example, in the City Core prime rents have risen from £77.50 to £87.50 per sq ft and from £140 to £150 per sq ft in the West End Core.

We have also recently made positive revisions to our five-year outlook for prime rental growth. In the near-term,

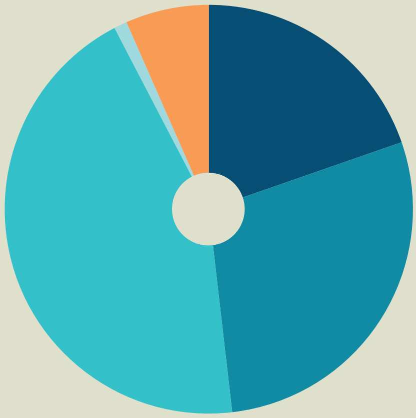
> “Since the pandemic there has been a rise in best-in-class transactions where the achieved rents have been significantly above the average market prime rent.”



> “Over the next five years, we expect the strongest average annual rental growth in the City and Southbank to be in the City Core (4.2%), Clerkenwell/Farringdon (3.9%), and Southbank Core (3.6%).”

London – Investment Volumes by Risk Profile
% of 4 Qtr Investment volumes, 2023 Q4

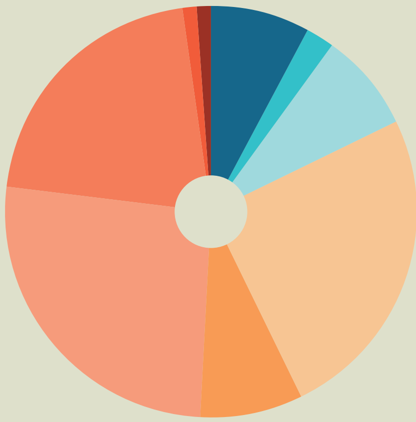
Core	20%
Core Plus	28%
Value-Add	44%
Development	1%
Undisclosed	7%



Source: Knight Frank Research

London – Investment Volumes by Buyer Type
% of 4 Qtr Investment volumes, 2023 Q4

Corporate/Other	8%
Open/closed-ended Fund	2%
Opportunity Fund/PE Fund	8%
Private Investor	25%
Pensions/Life/Insurance	8%
Private Property Company	26%
Quoted Property Company	21%
Sovereign Wealth Fund	1%
Undisclosed	1%



Source: Knight Frank Research

we expect market momentum to remain positive as economic activity in London appears to have stabilised with growing optimism for the outlook, rising levels of viewings and enquiries and a 10 year-high in active requirements. In the long-term, the lack of supply serves to underpin higher rental growth rates. We expect this to be a factor driving a rise in pre-lettings especially as there are over 28m sq ft of lease expiries between 2024-26.

Over the next five years, we expect the strongest average annual rental growth in the City and Southbank to be in the City Core (4.2%), Clerkenwell/Farringdon (3.9%), and Southbank Core (3.6%). In the West End, we expect the highest growth in prime rents to occur in the West End Core (3.7%), Fitzrovia (3.5%) and Strand/Covent Garden (3.5%) submarkets.

PICKUP IN INVESTMENT VOLUMES

Investor sentiment turned increasingly positive in Q4 as longer-term interest rates fell and pricing stabilised. Greater market liquidity, particularly in the West End, resulted in a quarterly rise in investment volumes of 27% to £1.8bn. However, volumes remain almost 50% below the quarterly long-term trend.

During the quarter, purchasers from Europe were most active (31.5%), followed by APAC (23.4%) and North American purchasers (22.1%). Private capital has remained the most active buyer type in Q4 accounting for almost two-thirds of investment transactions.

During 2023, acquisition activity from institutional investors was the lowest level since 2021 at just over £0.6bn. In contrast, private capital investors acquired £3.3bn of office assets and a 51.3% share of 2023 volumes. Over the last year investments have remained concentrated towards value-add assets. This highlights a sustained level of risk appetite for the right assets, and the resilience of leasing fundamentals.

STABLE YIELDS

City & Southbank prime yields have remained stable at 5.25%, where they have been since 2023 Q2. Prime yields have also remained stable in the West End at 3.75% – a level they have been throughout 2023, illustrating sustained resilience of this market.

UNLOCK OUR INSIGHTS

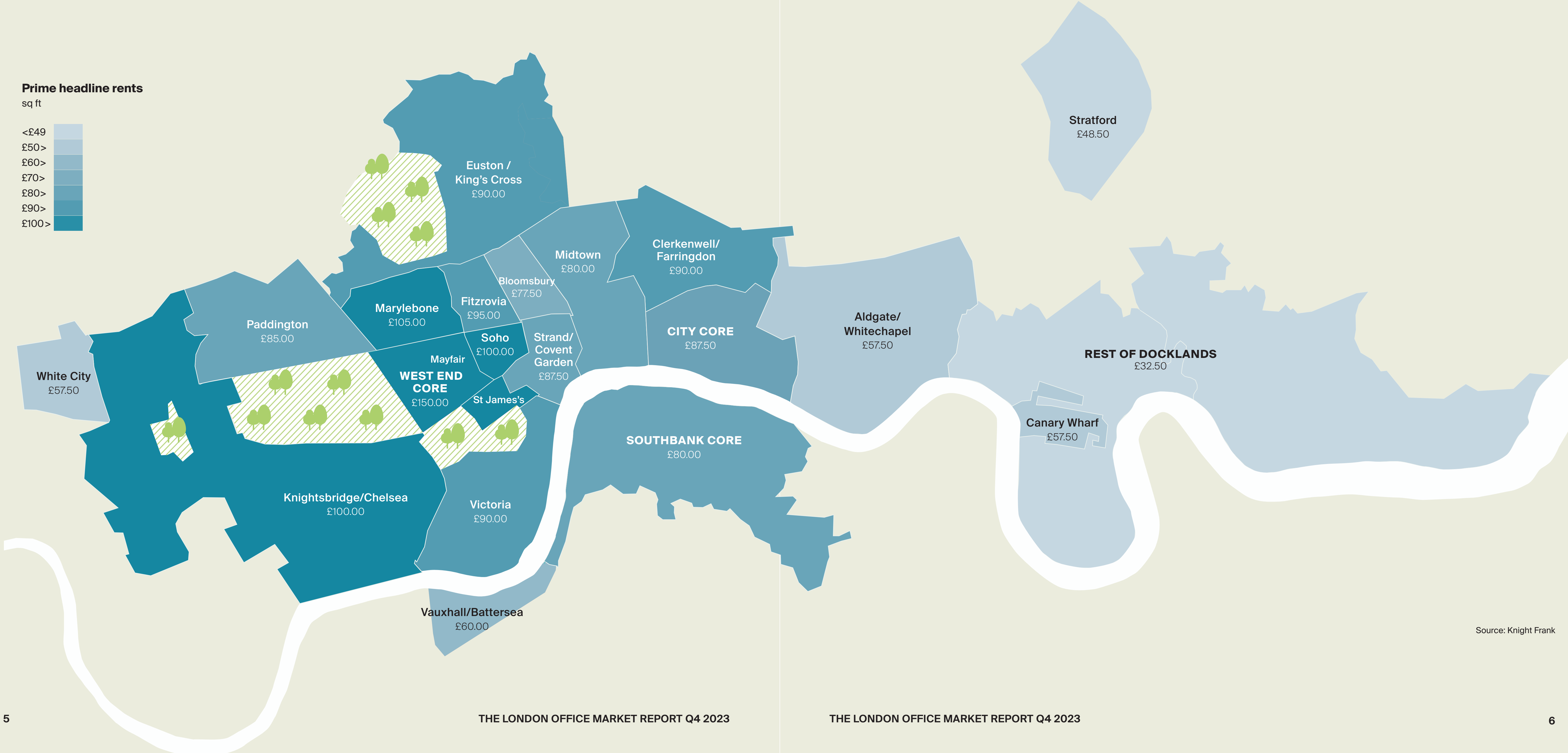
London office market

Performance dashboard 2023 Q4

KEY PERFORMANCE INDICATORS

	▲ 3.92m	▼ 24.96m	▼ 9.7%	▼ 15.41m
	TAKE-UP (SQ FT)	AVAILABILITY (SQ FT)	VACANCY RATE	UNDER CONSTRUCTION (SQ FT)
CHANGE ON				
2022 Q4	31.7% ▲	15.2% ▲	1.1% ▲	-0.1% ▼
LTA	2.98 million sq ft	16.33 million sq ft	6.9 %	10.86 million sq ft

WEST END		CITY & SOUTHBANK		DOCKLANDS & STRATFORD	
▲ £150.00 Prime headline rent (per sq ft)	▲ 1.40 m Take-up (per sq ft)	▲ £87.50 Prime headline rent (per sq ft)	▲ 2.42 m Take-up (per sq ft)	◀▶ £57.50 Prime headline rent (per sq ft)	▲ 0.10 m Take-up (per sq ft)
▲ 1.88 bn Investment turnover	◀▶ 3.75% Prime Yield	▼ 0.44 bn Investment turnover	◀▶ 5.25% Prime Yield	◀▶ 0 bn Investment turnover	▲ 7.25% Prime Yield



Source: Knight Frank

MARKETS IN REVIEW

The City & Southbank

▲ ▼ ◀ ▶
Arrows throughout the report show how values have increased, decreased or stayed the same since the last quarter unless specified

▲ £87.50
Rent (sq ft)

▲ 2.42 m
Take-up (sq ft)

▼ 13.93 m
Availability (sq ft)

▼ £442.22 m
Investment turnover

◀▶ 5.25%
Prime yield

LETTINGS AT FIVE-YEAR HIGH

There was 2.42m sq ft of take-up in the City & Southbank during the quarter, an increase of 44.4% from Q3 and almost 50% above the long-term trend of 1.63m sq ft. This represents the highest level of quarterly take-up since Q4 2017 and was driven by 1.8m sq ft of new and refurbished lettings – the highest level of prime take-up ever recorded and representing 73% of total lettings in the market.

Take-up was above the long-term average in two submarkets of the City & Southbank - the City Core (87%) and Clerkenwell/Farringdon (21.7%).

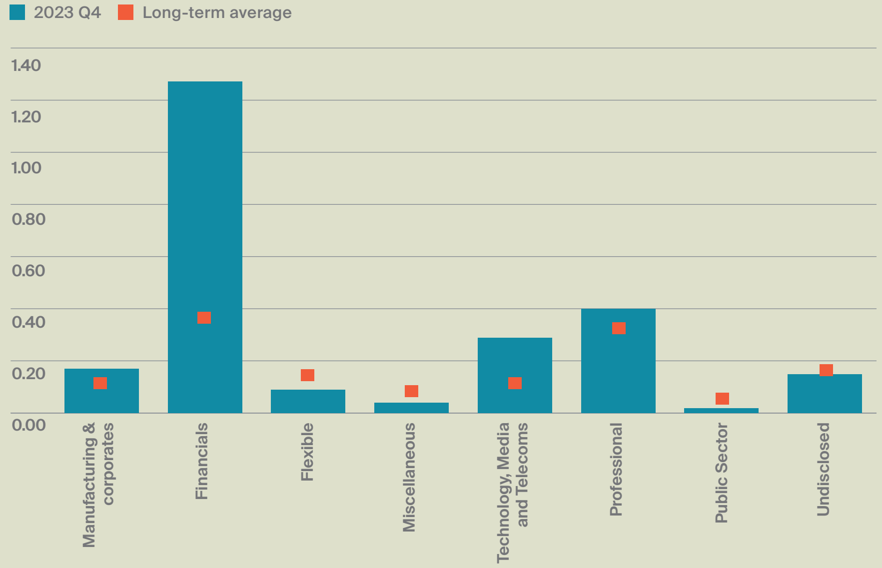
The largest letting in Q4 was the 520,359 sq ft pre-let signed by HSBC at Panorama St. Paul's, a year ahead of the building's completion in 2025. There has not been a transaction of this scale in the City & Southbank market since Q1 2018.

The second largest transaction was CFC Underwriting Ltd, who acquired 88,322 sq ft across floors 10-15 at 8 Bishopsgate. The letting takes the scheme to 63% let.

We can expect momentum to continue in the market as the City & Southbank continues to be the focus of most active requirements in London. Active demand rose to 5.1m sq ft, a 9.6% increase during the quarter and 23.6% above the long-term trend. Near-term demand

"The largest letting in Q4 was the 520,359 sq ft pre-let signed by HSBC at Panorama St. Paul's, a year ahead of the building's completion in 2025. There has not been a transaction of this scale in the City & Southbank market since Q1 2018."

City & Southbank – Take-up by Sector
m sq ft



Source: Knight Frank Research

continues to be led by the financial sector at 2.6m sq ft (51.5%), followed by 1.3m sq ft from professional service sector occupiers (24.4%).

SLIGHT FALL IN AVAILABILITY

Availability fell for the second consecutive quarter in the City & Southbank, primarily driven by the high level of leasing activity during Q4. Down 5.5% to 13.93m sq ft, this decrease has resulted in a vacancy rate of 10.1% and compares to the long-term trend of 7.0%. Prime availability is tight and has a vacancy rate of 5.8%.

POTENTIAL UNDER SUPPLY OF BEST QUALITY SPACE

The City & Southbank development pipeline contracted to 9.89m sq ft during the quarter, following 0.83m sq ft of completions in Q4. Of the under-construction pipeline, 25% is pre-let, and there is 6.96m sq ft of speculative floorspace being delivered before the end of 2026. Compared with long-term levels of new and refurbished take-up, this level of speculative development suggests a supply shortfall of 3.4m sq ft by the end of 2026.

20 Ropemaker Street EC2 was the most significant completion in Q4, comprising over half of all completed floorspace, followed by the Artesian, E1.

> "Availability fell for the second consecutive quarter in the City & Southbank, primarily driven by the high level of leasing activity during Q4."

HIGHER PRIME RENTS

As a result of our change to the assessment of prime rents, we have raised rents in the City Core from £77.50 to £87.50 per sq ft, in Clerkenwell/Farringdon from £85 to £90 per sq ft, in Midtown from £70 to £80 per sq ft and from £77.50 to £80 per sq ft in Southbank Core.

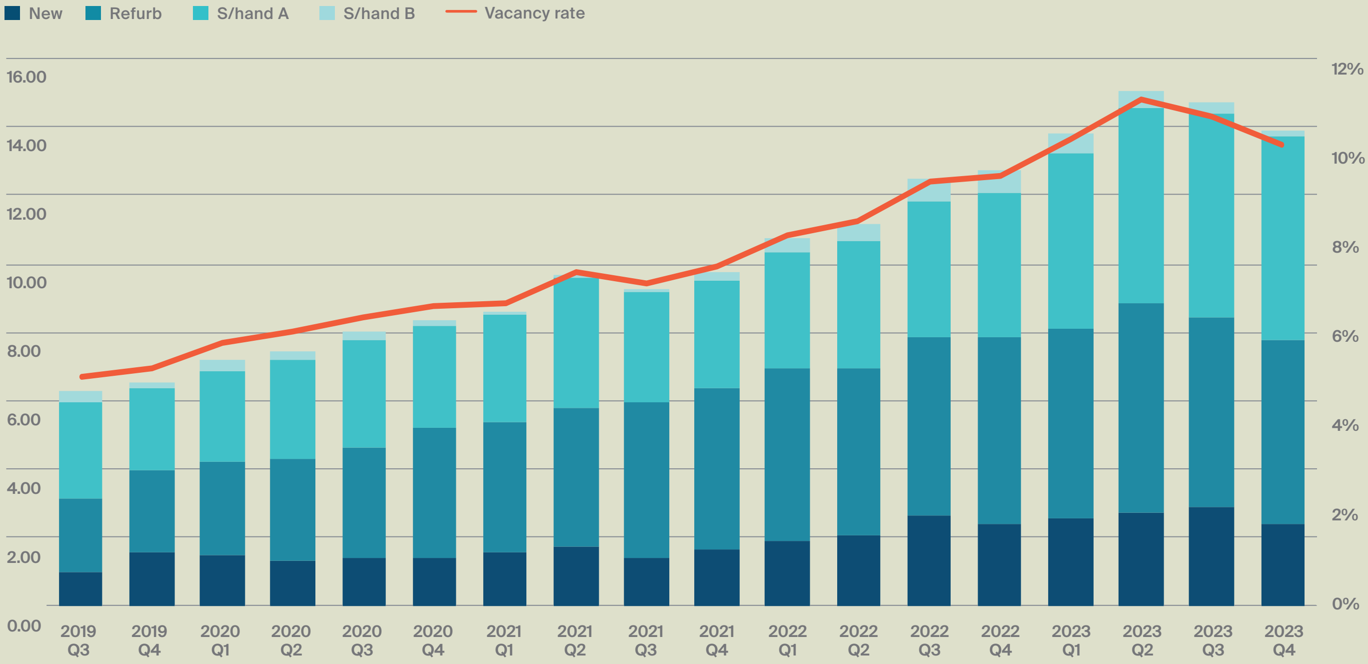
LOWER INVESTMENT VOLUMES

There were 15 investment transactions totalling £0.4bn in Q4, down 52.8% when compared to Q3. During the quarter, investors from the United Kingdom acquired £0.2bn of offices, accounting for 51% of volumes, and were followed by APAC countries with £0.1bn and a 30.1% share of all transactions. Investors from APAC were responsible for half of all purchases in the City & Southbank during 2023.

Private capital investors, less sensitive to rising interest rates, acquired £0.3bn of offices in Q4 – that represents 87% of all transactions. This investor group were responsible for the largest deal of the quarter at 12-14 Fetter Lane, EC4, acquired by an investor from Taiwan for £133m, reflecting a yield of 5.75%. During 2023, private capital investors acquired £1.8bn of City & Southbank offices or 54% of total volumes transacted in the submarket.

Current available stock is valued at £0.94bn, whilst there is £0.72bn under offer. Prime yields have remained stable at 5.25% for the second consecutive quarter.

City & Southbank – Availability
m sq ft (LHS), % of stock (RHS)



Source: Knight Frank Research

MARKETS IN REVIEW

West End

▲ £150.00

Rent (sq ft)

▲ 1.40 m

Take-up (sq ft)

▲ 6.84 m

Availability (sq ft)

▲ £1.3 bn

Investment turnover

◀▶ 3.75%

Prime yield

ABOVE TREND TAKE-UP

There was 1.40m sq ft of take-up in the West End during the quarter, an increase of 60.8% from Q3 and 25% above the long-term trend of 1.12m sq ft. This was the highest level of take-up since Q2 2022. Transactions of the best quality offices represented 56.7% of lettings in the market.

Take-up was above the long-term average in two-thirds of the submarkets in the West End and was highest in the West End Core (77.7%), Soho (153%), and Strand/Covent Garden (59%).

The largest letting in Q4 was the 172,405 sq ft pre-let signed by Millenium Capital Management at 50 Berkeley Street, W1J, at a rent of £135.00 per sq ft. The move will be a return to the Berkeley Street premises, Millenium Capital Management's home from 2004 to 2022, once refurbishment works are completed in 2025. The second largest transaction was law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP, who acquired 81,433 sq ft of space across three floors at Air, W1.

Following a quarter of strong leasing momentum, active demand in the West End has fallen to 1.88m sq ft. There is however, 0.8m sq ft of space under-offer in the West End, predominantly in the West End Core and Fitzrovia submarkets. Near-term

"There was 1.40m sq ft of take-up in the West End during the quarter, an increase of 60.8% from Q3 and 25% above the long-term trend of 1.12m sq ft.

▲6.8m

West End availability has risen by 2.1% to 6.8m sq ft.

demand is driven by the financial sector at 0.6m sq ft (34%) followed by 0.4m sq ft from manufacturing and corporate occupiers (23%).

SLIGHT RISE IN AVAILABILITY BUT FUTURE PIPELINE IS MODEST

West End availability has risen by 2.1% to 6.8m sq ft. The rise has been primarily driven by upcoming development completions in 2024 Q2 and constitutes a vacancy rate of 7.3%. Prime availability remains constrained and has a vacancy rate of 4.9%. Just under half of the West End's submarkets have total vacancy rates below long-term trends. The majority of available buildings in the West End are lower size band. Availability of larger size band buildings are tight with only 20 available new and refurbished buildings above 60,000 sq ft.

The under-construction development pipeline has increased to 5.17m sq ft. However, the volume of speculative space is down 4% to 3.69m sq ft. The West End pipeline is 29% pre-let. This volume of under-construction speculative activity is anticipated to result in a shortfall of 1.7m sq ft of prime space by the end of 2026.

151 Buckingham Palace Road, SW1 was the largest completion in Q4 delivering 202,916 sq ft, of which 27,215 sq ft was under offer.

FURTHER RISES TO PRIME RENTS

As a result of our change to the assessment of prime rents we have raised rents in all but two submarkets – Bloomsbury and White City. The most significant rises have been in the West End Core from £140 to £150 per sq ft, in King's Cross/Euston from £82.50 to £90 per sq ft and in Strand/Covent Garden from £80 to £87.50 per sq ft.

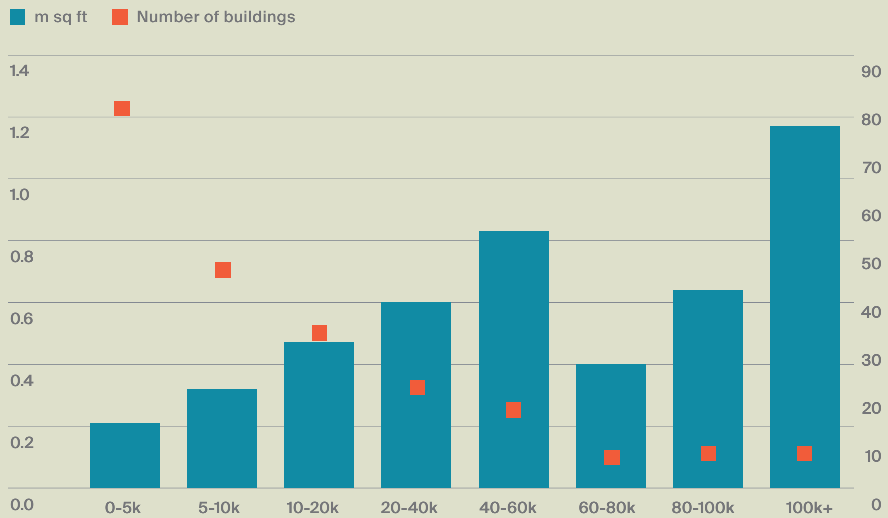
INVESTMENT MARKET RESILIENCE IN WEST END

Transaction volumes in Q4 totalled £1.3bn, up 173% compared to Q3 and were aligned to the long-term trend. The largest transaction in Q4 was the of sale of the Lotus Portfolio, W1, which comprised 27 freehold assets and was acquired by Oval Real Estate & Elliott Advisors for £300m, reflecting a yield of 5.64%.

During the quarter, investors from Europe acquired £0.4bn, accounting for 31.5% of volumes, followed by APAC countries with £0.3bn and a 23.4% share of all transactions. European investors were responsible for 28% of all purchases in the West End during 2023, followed by the United Kingdom (27%) and APAC countries (23%). During 2023, private capital investors acquired £1.7bn of West End offices, 50% of total volumes. Prime yields have remained stable at 3.75% and unchanged during 2023.

West End – Availability New/Refurb

m sq ft (LHS), number of buildings (RHS)



Source: Knight Frank Research

West End – Active demand

m sq ft

Source: Knight Frank Research

MARKETS IN REVIEW

Docklands & Stratford

▲ £57.50
Rent (sq ft)

▼ 0.10 m
Take-up (sq ft)

▼ 4.19 m
Availability (sq ft)

◀▶ £0 m
Investment turnover

▲ 7.25%
Prime yield

TAKE-UP FALLS IN Q4

During the quarter, there was 0.09m sq ft of take-up in Docklands & Stratford, a decrease of 37% from Q3 and 55% below the long-term trend. Transactions of the best quality offices represented 12.2% of lettings in the market as availability is predominantly second hand, resulting in lower levels of new and refurbished take-up compared to other London markets.

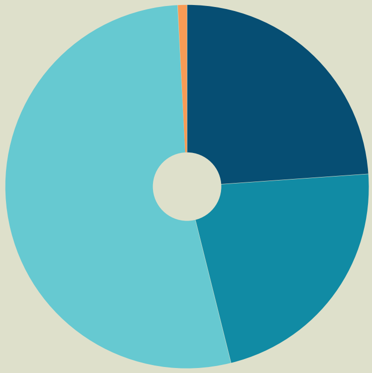
The largest letting in Q4 was the 84,999 sq ft lease signed by National Crime Agency (NCA) across floors 12-14 at 1 Westfield Avenue (S5), E20. The sub-lease was signed at the rental rate of £40.00 per sq ft. The second largest deal was AviadoBio letting 11,000 sq ft at 20 Water Street, E14, at £57.70 per sq ft.

The NCA letting in Stratford resulted in the public sector being responsible for 86.4% of take-up in Q4. This was followed by manufacturing and corporate occupiers who represented 11.2% of take-up and financials which accounted for 1.3% of lettings.

There is currently 0.2m sq ft floorspace under offer in the market, over half of this is in Canary Wharf and of a new and refurbished quality.

"The NCA letting in Stratford resulted in the public sector being responsible for 86.4% of take-up in Q4."

Docklands & Stratford – Availability
% of Take-up, 2023 Q4



New	24%
Refurb	22%
S/hand A	53%
S/hand B	1%

Source: Knight Frank Research

▼ 0.14m

Active demand has reduced to 0.14m sq ft, down 37.8% from the previous quarter.

Active demand has reduced to 0.14m sq ft, down 37.8% from the previous quarter. Financial occupiers drive demand, representing 85% of all named demand in the market.

TOTAL AVAILABILITY REMAINS HIGH

Availability has risen 7% on the quarter to 4.19m sq ft, resulting in a vacancy rate of 16.8%, well in excess of the long-term trend of 9.7%. However, vacant new and refurbished space is much lower at 7.8% of all stock.
Only one scheme is under construction, the 350,779 sq ft Turing building in Stratford which completes later this year.

We have raised rents in Canary Wharf from £55 to £57.50 as available prime space remains limited. Rent frees are unchanged at 28.5 months on a typical 10-year lease.

HIGHER YIELDS

There was no investment activity during Q4. Investment availability has risen 88% to £0.52bn, and a further £0.02bn is under offer. Prime yields have moved out to 7.25%, reflecting the challenging investment landscape of the market.

> "Financial occupiers drive demand, representing 85% of all named demand in the market."

Key Statistics

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	% CHANGE 3 MONTHS	% CHANGE 12 MONTHS	10-YEAR QUARTERLY AVERAGE
AVAILABILITY (SQ FT)								
West End	5.13 m	6.34 m	6.55 m	6.70 m	6.84 m	2.1%	33.4%	5.45 m
City & Southbank	12.72 m	13.81 m	15.11 m	14.75 m	13.93 m	-5.5%	9.5%	8.83 m
Docklands & Stratford	3.81 m	3.80 m	4.11 m	3.91 m	4.19 m	7.0%	9.9%	2.25 m
London	21.66 m	23.95 m	25.78 m	25.36 m	24.96 m	-1.6%	15.2%	16.5 m
VACANCY RATE								
West End	5.6%	6.9%	7.1%	7.2%	7.3%	0.1%	1.7%	6.2%
City & Southbank	9.5%	10.2%	11.1%	10.8%	10.1%	-0.7%	0.6%	7.0%
Docklands & Stratford	15.8%	15.7%	16.5%	15.5%	16.6%	1.1%	0.8%	9.5%
London	8.6%	9.5%	10.1%	9.9%	9.7%	-0.2%	1.1%	6.9%
TAKE-UP (SQ FT)								
West End	1.31 m	0.80 m	0.76 m	0.87 m	1.40 m	60.8%	7.1%	1.12 m
City & Southbank	1.50 m	1.03 m	1.28 m	1.68 m	2.42 m	44.4%	61.1%	1.63 m
Docklands & Stratford	0.16 m	0.11 m	0.07 m	0.16 m	0.10 m	-37.0%	-40.2%	0.21 m
London	2.98 m	1.94 m	2.11 m	2.71 m	3.92 m	45.0%	31.7%	2.96 m
ACTIVE REQUIREMENTS (SQ FT)								
West End	1.43 m	1.96 m	1.99 m	2.66 m	1.88 m	-29.4%	31.8%	2.02 m
City & Southbank	4.59 m	4.60 m	4.46 m	4.65 m	5.10 m	9.6%	11.1%	4.33 m
Docklands	0.15 m	0.30 m	0.22 m	0.23 m	0.14 m	-37.8%	-5.7%	0.58 m
London-wide	1.31 m	1.55 m	2.39 m	3.10 m	4.80 m	54.9%	267.4%	1.91 m
London	7.47 m	8.41 m	9.04 m	10.64 m	11.91 m	12.0%	59.6%	8.85 m
UNDER CONSTRUCTION (SQ FT)								
West End	5.31 m	5.89 m	5.42 m	5.10 m	5.17 m	1.3%	-2.6%	4.43 m
City & Southbank	9.36 m	9.88 m	10.08 m	11.00 m	9.89 m	-10.1%	5.7%	7.95 m
Docklands & Stratford	0.76 m	0.98 m	0.56 m	0.35 m	0.35 m	0.0%	-53.8%	0.97 m
London	15.42 m	16.75 m	16.07 m	16.46 m	15.41 m	-6.3%	-0.1%	13.35 m
DEVELOPMENT COMPLETIONS (SQ FT)								
West End	0.81 m	0.12 m	0.46 m	0.95 m	0.46 m	-52.0%	-43.3%	0.31 m
City & Southbank	0.51 m	0.32 m	0.94 m	0.73 m	0.83 m	12.8%	63.8%	0.77 m
Docklands	0.00 m	0.00 m	0.41 m	0.21 m	0.00 m	-100.0%		0.12 m
London								
INVESTMENT TURNOVER								
West End	£0.90 bn	£0.76 bn	£0.88 bn	£0.50 bn	£1.38 bn	177.8%	53.3%	£1.36 bn
City & Southbank	£0.56 bn	£1.48 bn	£0.53 bn	£0.94 bn	£0.44 bn	-52.8%	-20.6%	£1.96 bn
Docklands & Stratford	£0.00 bn	£0.13 bn	£0.02 bn	£0.00 bn	£0.00 bn			£0.18 bn
London	£1.46 bn	£2.36 bn	£1.44 bn	£1.43 bn	£1.82 bn	27.0%	25.1%	£3.50 bn
PRIME HEADLINE RENTS (PER SQ FT)								
West End	£125.00	£130.00	£135.00	£140.00	£150.00	7.1%	20.0%	4.4%
City & Southbank	£75.00	£75.00	£75.00	£77.50	£87.50	12.9%	16.7%	3.8%
Docklands & Stratford	£55.00	£55.00	£55.00	£55.00	£57.50	4.5%	4.5%	4.8%

Source: Knight Frank. Notes: London active requirements includes unspecified target locations. Percentage point difference for vacancy rate.

We like questions. If you've got one about our research, or would like some property advice, we would love to hear from you.

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General Note

This report has been prepared by Knight Frank Research, the research and consultancy division of Knight Frank. Knight Frank Research gratefully acknowledges the assistance given by the London office teams in the compilation and presentation of this material. Certain data sourced from LOD. All graph data sourced by Knight Frank.

Technical Note

The following criteria have been adopted in the preparation of this report.

i. All floorspace figures quoted in this report refer to sq ft net.

ii. Take-up figures refer to space let, pre-let, or acquired for occupation during the quarter.

iii. Availability refers to all space available for immediate occupation, plus space still under construction which will be completed within six months and which has not been let.

iv. Availability and take-up are classified into three grades: New/refurbished: Space under construction which is due for completion within six months or space which is currently on the market and is either new or completely refurbished.
Second-hand A Grade: Previously occupied space with air-conditioning.
Second-hand B Grade: Previously occupied space without air-conditioning.

v. Demand figures quoted in this report refer to named requirements for over 10,000 sq ft.

vi. Under construction figures quoted in this report refer to developments of over 20,000 sq ft which are currently underway. They do not include properties undergoing demolition.

vii. Investment figures quoted in this report refer to accommodation where the majority of income/potential income is from office usage and comprises transactions of £1 m and above. The data includes standing investments, site purchases and funding transactions.

viii. This report is produced to standard quarters.
Quarter 1: January 1 – March 31,
Quarter 2: April 1 – June 30,
Quarter 3: July 1 – September 30,
Quarter 4: October 1 – December 31