LONDON OFFICES
WEST END SPOTLIGHT
Q3 2019
WEST END MARKET OVERVIEW

KEY THEMES

Demand for space remains robust and diverse, with finance, professional services and corporates all remaining active.

Prelets continuing apace, with 62% of all stock under construction now committed.

Investment stock remains limited with just 20 properties available with a combined value of £2.7 billion, dominated by two large disposals.

KEY STATS

Q3 West End prime rents increased to £112.50 per sq ft.

Vacancy rate in the West End is 5.3%.

Active demand unchanged quarter-on-quarter at 2.2 m sq ft.

Q3 West End prime yields remained stable at 3.75%.
WEST END LEASING OVERVIEW

<table>
<thead>
<tr>
<th>sq ft</th>
<th>Q3 18</th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>% change 3m</th>
<th>% change 12m</th>
<th>Long-term average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take-up</td>
<td>1.58 m</td>
<td>1.72 m</td>
<td>1.26 m</td>
<td>1.05 m</td>
<td>1.03 m</td>
<td>-2%</td>
<td>-35%</td>
<td>1.23 m</td>
</tr>
<tr>
<td>Availability</td>
<td>4.95 m</td>
<td>5.69 m</td>
<td>4.94 m</td>
<td>4.42 m</td>
<td>4.59 m</td>
<td>4%</td>
<td>-7%</td>
<td>5.35 m</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>5.8%</td>
<td>6.6%</td>
<td>5.8%</td>
<td>5.2%</td>
<td>5.3%</td>
<td>N/A</td>
<td>N/A</td>
<td>6.1%</td>
</tr>
<tr>
<td>Active Requirements</td>
<td>2.31 m</td>
<td>2.79 m</td>
<td>2.55 m</td>
<td>2.22 m</td>
<td>2.22 m</td>
<td>N/A</td>
<td>-4%</td>
<td>2.07 m</td>
</tr>
</tbody>
</table>

WEST END INVESTMENT OVERVIEW

<table>
<thead>
<tr>
<th>£ bn</th>
<th>Q3 18</th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>% change 3m</th>
<th>% change 12m</th>
<th>Long-term average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£2.21 bn</td>
<td>£1.45 bn</td>
<td>£1.16 bn</td>
<td>£0.87 bn</td>
<td>£0.62 bn</td>
<td>-29%</td>
<td>-72%</td>
<td>£1.36 bn</td>
</tr>
<tr>
<td>Availability</td>
<td>£1.40 bn</td>
<td>£0.92 bn</td>
<td>£0.42 bn</td>
<td>£1.46 bn</td>
<td>£2.70 bn</td>
<td>85%</td>
<td>93%</td>
<td>N/A</td>
</tr>
<tr>
<td>Under Offer</td>
<td>£1.19 bn</td>
<td>£0.76 bn</td>
<td>£0.61 bn</td>
<td>£0.82 bn</td>
<td>£0.91 bn</td>
<td>11%</td>
<td>24%</td>
<td>N/A</td>
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</tbody>
</table>

KEY WEST END LEASING DEALS

<table>
<thead>
<tr>
<th>Building</th>
<th>Sq ft</th>
<th>Rent (per sq ft)</th>
<th>Occupier</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Great Marlborough Street, W1</td>
<td>105,000</td>
<td>CONFIDENTIAL</td>
<td>Diageo Plc</td>
</tr>
<tr>
<td>The Post Building, 21/31 New Oxford Street, WC1</td>
<td>88,667</td>
<td>£85</td>
<td>Nationwide Building Society</td>
</tr>
<tr>
<td>Marble Arch Place, 5 Marble Arch, W1</td>
<td>78,397</td>
<td>£120</td>
<td>Bridgepoint Capital Group Ltd</td>
</tr>
<tr>
<td>Media Village, 131/151 Great Titchfield Street, W1</td>
<td>47,030</td>
<td>£55</td>
<td>The Office Group</td>
</tr>
<tr>
<td>22-24 Berners Street, W1</td>
<td>40,888</td>
<td>N/A</td>
<td>Fora</td>
</tr>
</tbody>
</table>

KEY WEST END INVESTMENT DEALS

<table>
<thead>
<tr>
<th>Building</th>
<th>Price</th>
<th>£ per sq ft</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 Savile Row, W1</td>
<td>£277 m</td>
<td>£2,798</td>
<td>4.14%</td>
</tr>
<tr>
<td>55 Broadway, SW1</td>
<td>£120 m</td>
<td>£650+</td>
<td>N/A</td>
</tr>
<tr>
<td>33 Kingsway, WC2</td>
<td>£62.25 m</td>
<td>£1,035</td>
<td>5.27%</td>
</tr>
<tr>
<td>94-96 Wigmore Street W1</td>
<td>£17.4 m</td>
<td>£1,475</td>
<td>N/A</td>
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SUBMARKET PRIME HEADLINE RENTS

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

DEVELOPMENT PIPELINE

<table>
<thead>
<tr>
<th>m sq ft</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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Source: Knight Frank
<table>
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<tr>
<th>CONTACTS</th>
</tr>
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<tbody>
<tr>
<td><strong>HEAD OF LONDON OFFICES</strong></td>
</tr>
<tr>
<td>William Beardmore-Gray</td>
</tr>
<tr>
<td><a href="mailto:william.beardmore-gray@knightfrank.com">william.beardmore-gray@knightfrank.com</a></td>
</tr>
<tr>
<td>+44 20 7861 1308</td>
</tr>
</tbody>
</table>

| **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 1519 |

| **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 |

knightfrank.com