London Offices Spotlight

Q2 2025

A quarterly snapshot of the London office market.

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London Overview

3.5 m sq ft
Take-up

23.3 m sq ft
Availability

8.8 %
Vacancy rate

10.0 m sq ft
Active Requirements

£2.0 bn
Investment volumes

10.8 m sq ft
Under Construction (Spec)

Key Themes

1.
Proportion of leasing activity targeting new and refurbished space reaches new high

2.
Pre-letting activity drives leasing volumes across both City & West End

3.
Recovery in investment volumes continues with rising share of institutional investment

Submarket Key Indicators

Submarkets	New/Refurb Vacancy Rate	Vacancy Rate	Prime Rent	Quarterly Change	Rent Free Periods (Months)
Aldgate/Whitechapel	5.6%	12.1%	£57.50	◀▶	27
City Core	3.4%	6.6%	£100.00	◀▶	24-27
Clerkenwell/Farringdon	7.1%	12.9%	£92.50	◀▶	24
Midtown	2.6%	6.7%	£85.00	◀▶	27
Southbank Core	6.6%	10.1%	£90.00	◀▶	24-27
Vauxhall/Battersea	19.2%	20.4%	£60.00	◀▶	24-27
Canary Wharf	5.3%	11.2%	£57.50	◀▶	27-30
Rest of Docklands	5.4%	8.3%	£32.50	◀▶	30
Stratford	21.1%	26.8%	£48.50	◀▶	27
Bloomsbury	4.2%	8.2%	£82.50	◀▶	24-27
Fitzrovia	7.8%	13.1%	£95.00	◀▶	24
King's Cross/Euston	6.8%	7.6%	£90.00	◀▶	24-27
Knightsbridge/Chelsea	12.1%	15.4%	£102.50	◀▶	24-27
Marylebone	5.6%	7.8%	£110.00	▲	24
Paddington	3.4%	5.8%	£85.00	◀▶	24-27
Soho	3.5%	4.5%	£100.00	◀▶	24
Strand/Covent Garden	7.6%	9.7%	£90.00	◀▶	24-27
Victoria	3.9%	4.5%	£92.50	◀▶	24-27
West End Core	3.3%	4.9%	£182.50	▲	21
White City	11.8%	18.3%	£57.50	◀▶	24-27

Pre-let space under construction

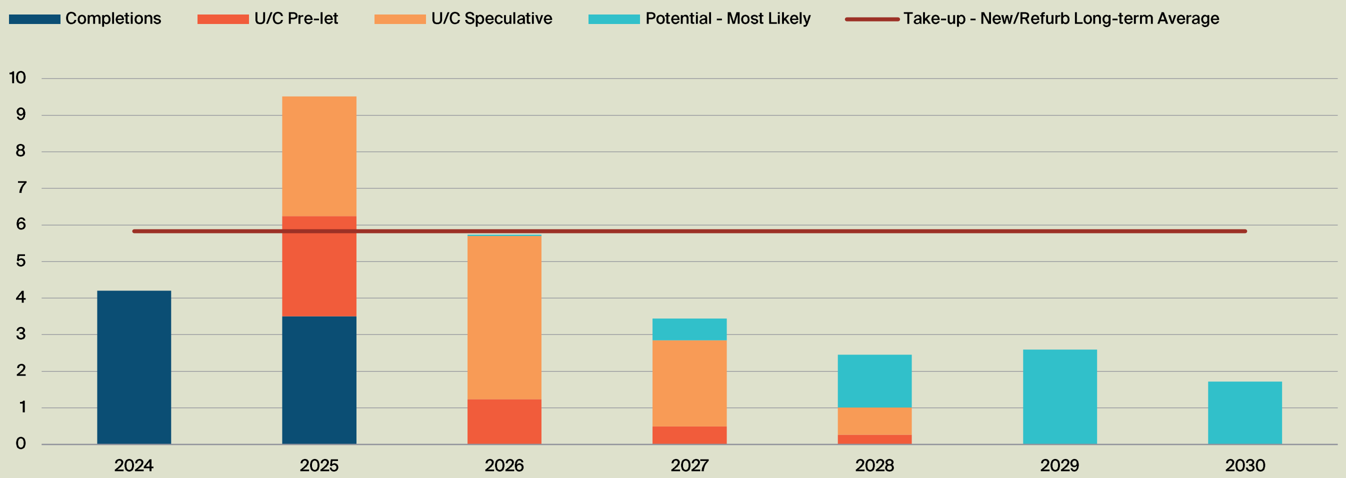
29.0%
City & Southbank
▼

0.0%
Docklands & Stratford
◀▶

35.8%
West End
▲

London - Development Pipeline

m sq ft



Source: Knight Frank Insight

City & Southbank Overview

LEASING MARKET

m sq ft, % of stock	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	% Change 3M	% Change 12M	Long-term average
Take-up	1.65 m	1.78 m	2.10 m	1.48 m	2.09 m	40.9%	26.3%	1.56 m
Availability	13.20 m	12.43 m	13.49 m	12.76 m	12.64 m	-0.9%	-4.2%	9.68 m
Total Under Offer	2.11 m	2.15 m	1.52 m	2.59 m	1.53 m	-40.9%	-27.5%	-
Vacancy Rate*	9.5%	8.9%	9.6%	9.0%	8.8%	-0.2%	-0.7%	7.4%
New/Refurb Vacancy Rate	5.5%	5.1%	5.6%	4.9%	4.9%	0.0%	-0.6%	3.8%
Active Requirements	4.42 m	5.65 m	4.78 m	5.10 m	4.49 m	-11.9%	1.7%	4.45 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
65 Gresham Street, EC2	398,227	Squarepoint Capital	Confidential
100 New Bridge Street, EC4	194,517	S&P 500 Global Business	Confidential
76 Southbank, SE1	191,894	Lego	£87.50
Centrium, 61 Aldwych, WC2	187,713	London School of Economics and Political Science	Confidential
40 Leadenhall Street, EC3	37,314	ISAM Funds	Confidential

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INVESTMENT MARKET

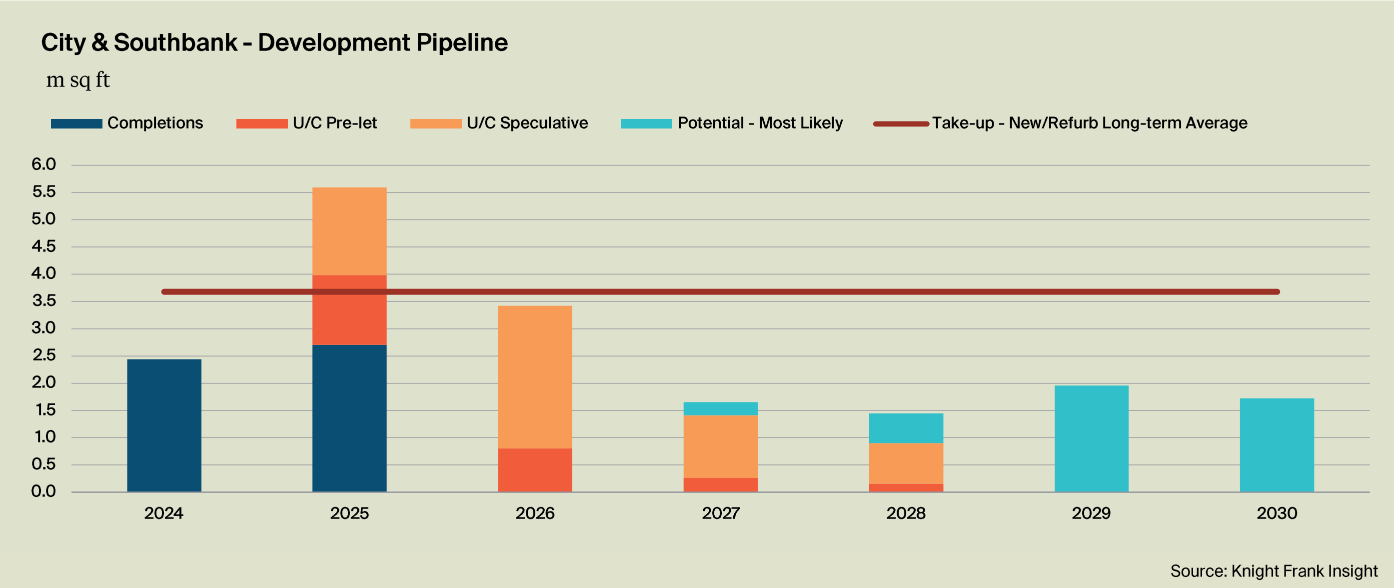
£bn, % per annum	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	% Change 3M	% Change 12M	Long-term average
Turnover	0.59 bn	0.52 bn	0.73 bn	0.97 bn	1.11 bn	14.7%	87.9%	1.76 bn
Availability	1.20 bn	2.35 bn	1.28 bn	1.99 bn	1.56 bn	-21.6%	29.3%	2.82 bn
Under Offer	0.72 bn	0.49 bn	0.94 bn	0.56 bn	0.99 bn	78.0%	37.2%	1.37 bn
Yield*	5.25%	5.25%	5.25%	5.25%	5.25%	0.00%	0.00%	4.43%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
100 New Bridge Street, EC4	£333.0	£1,712	5.00%	S&P 500 Global Business
Capital House, 85 King William Street, EC4	£169.0	£1,391	4.96%	Daiburu
Finsbury Circus House, 12-15 Finsbury Circus, EC2	£140.0	£1,025	5.40%	Aware Super/Delancey
Senator, 85 Queen Victoria Street, EC4	£62.8	£416	12.95%	Addington Capital/Strategic Value Partners
Equitable House, 47-51 King William Street, EC4	£35.2	£782	7.98%	M&G

Knight Frank deals This table contains information published by third parties, for which we cannot be responsible.



Docklands & Stratford Overview

LEASING MARKET

m sq ft, % of stock	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	% Change 3M	% Change 12M	Long-term average
Take-up	0.11 m	0.02 m	0.08 m	0.17 m	0.37 m	121.0%	225.1%	0.19 m
Availability	3.43 m	3.78 m	3.74 m	3.87 m	3.21 m	-17.2%	-6.3%	2.65 m
Total Under Offer	0.06 m	0.18 m	0.24 m	0.36 m	0.28 m	-22.2%	366.7%	-
Vacancy Rate*	13.6%	14.8%	14.6%	15.2%	12.6%	-2.6%	-1.0%	10.6%
New/Refurb Vacancy Rate	7.9%	7.8%	8.0%	7.9%	7.2%	-0.7%	-0.7%	4.6%
Active Requirements	0.65 m	0.43 m	0.46 m	0.45 m	0.28 m	-38.2%	-57.4%	0.52 m

* percentage point difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
1 Cabot Square, E14	148,473	JPMorgan Chase	Confidential
The Turing Building, E20	94,172	Arden University	Confidential
HX1 & HX2, Harbour Exchange, E14	49,213	Elizabeth School of London	Confidential
5 Endeavour Square, E20	28,648	Ministry of Housing, Communities and Local Govt	£39.00
50 Bank Street, E14	20,374	Bupa	£42.00-£44.00

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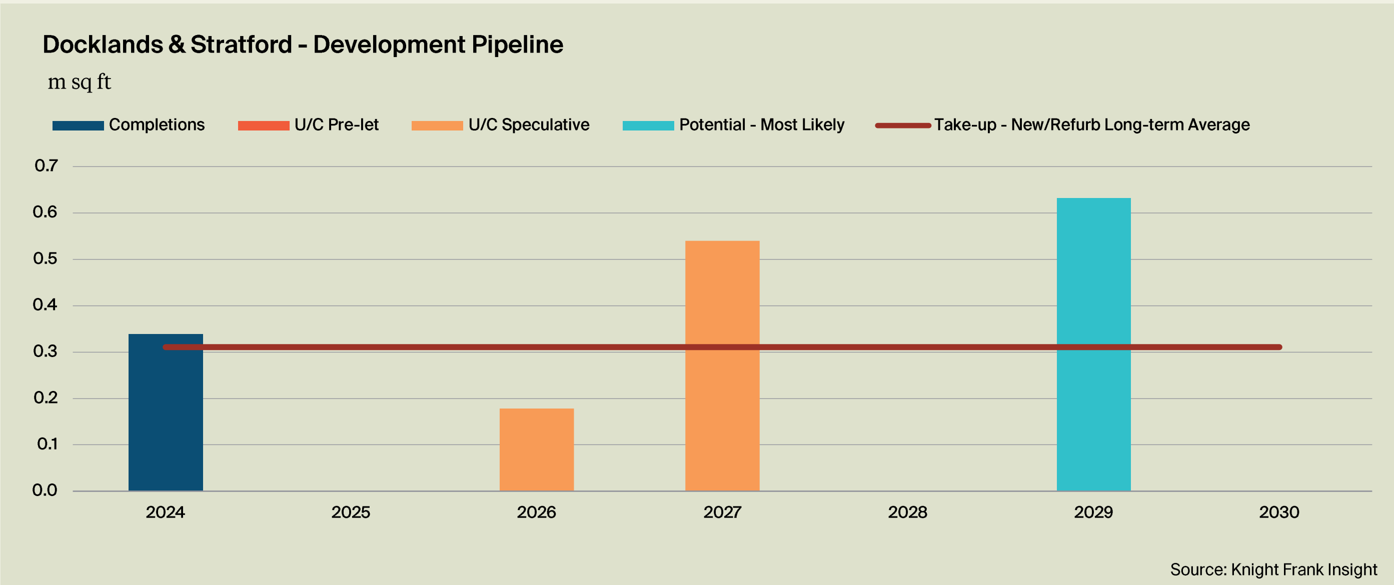
INVESTMENT MARKET

£bn, % per annum	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	% Change 3M	% Change 12M	Long-term Average
Turnover	0.00 bn	0.00 bn	0.00 bn	0.00 bn	0.00 bn	0.0%	-	0.13 bn
Availability	0.11 bn	0.09 bn	0.27 bn	0.00 bn	0.00 bn	-	-100.0%	0.06 bn
Under Offer	0.02 bn	0.00 bn	0.00 bn	0.27 bn	0.28 bn	3.8%	1276.6%	0.03 bn
Yield*	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	5.35%

* percentage point difference from previous quarter/year



West End Overview

LEASING MARKET						% Change		Long-term average
m sq ft, % of stock	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	3M	12M	
Take-up	0.68 m	1.21 m	1.11 m	0.90 m	1.07 m	19.2%	58.0%	1.06 m
Availability	7.69 m	7.42 m	6.68 m	7.14 m	7.41 m	3.8%	-3.6%	5.93 m
Total Under Offer	1.40 m	1.05 m	0.66 m	0.87 m	0.91 m	4.6%	-35.0%	-
Vacancy Rate*	8.1%	7.8%	7.0%	7.5%	7.7%	0.2%	-0.4%	6.6%
New/Refurb Vacancy Rate	5.6%	5.5%	4.8%	5.4%	5.7%	0.3%	0.1%	2.9%
Active Requirements	2.32 m	2.06 m	1.65 m	2.04 m	1.92 m	-5.7%	-17.3%	2.10 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
7 Brook Street, W1	115,000	McDermott Will & Emery	Confidential
Marylebone Place, 1 Wyndham Street, W1	73,492	Union Bancaire Privee	£95.00
One Olympia, W14	73,152	Premier League Studios	£56.00
KOVA KX, 105 Judd Street, WC1	70,559	LifeArc	Confidential
30 Duke Street, W1	62,908	Clayton, Dubilier & Rice	Confidential

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INVESTMENT MARKET						% Change		Long-term average
£bn, % per annum	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	3M	12M	
Turnover	0.99 bn	0.80 bn	1.23 bn	1.57 bn	0.89 bn	-43.5%	-10.6%	1.24 bn
Availability	1.63 bn	1.15 bn	1.09 bn	1.40 bn	2.27 bn	62.0%	39.3%	1.76 bn
Under Offer	0.73 bn	0.77 bn	0.98 bn	0.79 bn	1.04 bn	31.9%	43.2%	0.86 bn
Yield*	3.75%	3.75%	3.75%	3.75%	3.75%	0.00%	0.00%	3.57%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
11-12 Hanover Square, W1	Q. £160.0	Q. £3,421	Q. 4.10%	Aware Super/Delancey
20 Manchester Square, W1	Q. £122.8	Q. £1,556	Q. 5.00%	Aware Super/Delancey
10 Old Burlington Street, W1	£57.0	£1,442	5.31%	Angelo Gordon/Beltane Asset Management
11 Baker Street, W1	£56.5	£806	7.27%	3RE Capital Ventures/Aermont Capital
27 Mortimer Street, W1	£48.3	£1,438	3.03%	abrdn

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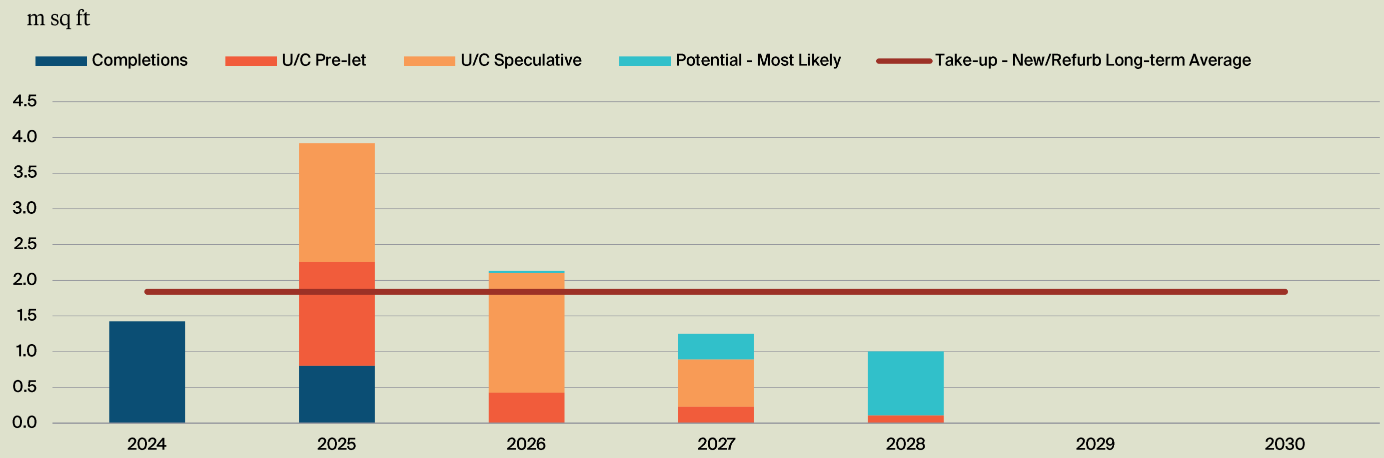
West End - Development Pipeline



Source: Knight Frank Insight

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 Insight, the research and consultancy division of Knight Frank. Knight Frank Insight 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.

viii. The data includes standing investments, site purchases and funding transactions.

ix. 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

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