

# London Offices Spotlight



Q4 2024

A quarterly snapshot of the London office market.

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# London Overview



## Key Themes

**1.**

Highest deal flow since Q2 2018, results in above trend levels of take-up.

**2.**

Availability of prime space remains tight in core submarkets.

**3.**

Further quarter of stable yields raises investment volumes.

# Submarket Key Indicators

Submarkets	New/Refurb Vacancy Rate	Vacancy Rate	Prime Rent	Quarterly Change	Rent Free Periods (Months)
Aldgate/Whitechapel	6.4%	13.3%	£57.50	↕	27
City Core	3.8%	7.6%	£95.00	▲	24-27
Clerkenwell/Farringdon	9.7%	14.7%	£92.50	↕	24
Midtown	3.7%	7.7%	£85.00	▲	27
Southbank Core	6.4%	9.2%	£82.50	↕	24-27
Vauxhall/Battersea	16.9%	17.1%	£60.00	↕	24-27
Canary Wharf	6.1%	13.5%	£57.50	↕	27-30
Rest of Docklands	5.0%	9.8%	£32.50	↕	30
Stratford	22.7%	28.2%	£48.50	↕	27
Bloomsbury	3.5%	5.9%	£82.50	▲	24-27
Fitzrovia	5.7%	10.5%	£95.00	↕	24
King's Cross/Euston	5.5%	6.7%	£90.00	↕	24-27
Knightsbridge/Chelsea	5.9%	10.4%	£102.50	↕	24-27
Marylebone	4.4%	6.7%	£105.00	↕	24
Paddington	4.1%	5.8%	£85.00	↕	24-27
Soho	2.5%	3.8%	£100.00	↕	24
Strand/Covent Garden	9.6%	11.9%	£90.00	↕	24-27
Victoria	3.1%	4.1%	£92.50	↕	24-27
West End Core	2.7%	4.6%	£160.00	▲	21
White City	17.0%	23.5%	£57.50	↕	24-27

## Pre-let space under construction

33.6%

City & Southbank



0.0%

Docklands & Stratford



31.0%

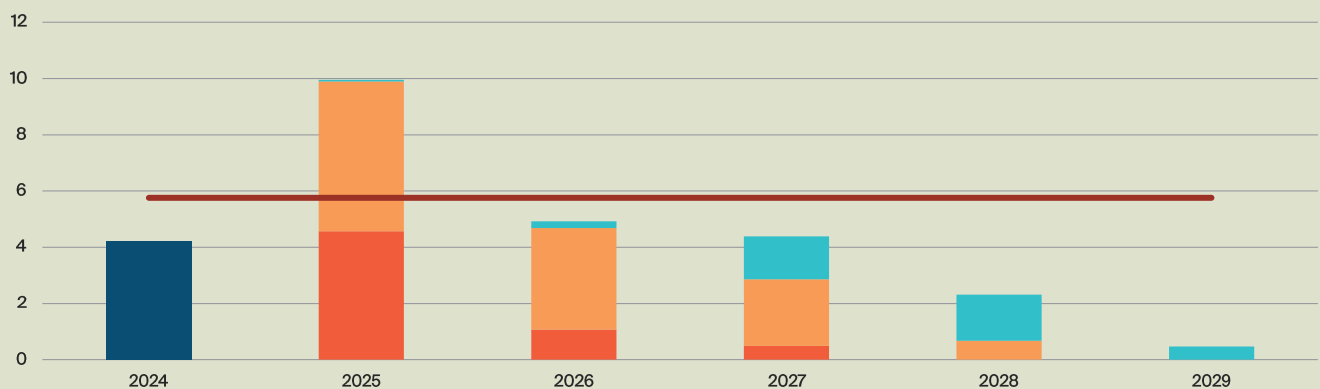
West End



## London - Development Pipeline

m sq ft

■ Completions ■ U/C Pre-let ■ U/C Speculative ■ Potential - Most Likely ■ Take-up - New/Refurb Long-term Average



Source: Knight Frank Research

# City & Southbank Overview

## LEASING MARKET

m sq ft, % of stock	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term average
						3M	12M	
Take-up	2.42 m	1.13 m	1.65 m	1.78 m	2.10 m	17.7%	-13.3%	1.57 m
Availability	13.93 m	14.08 m	13.20 m	12.43 m	13.49 m	8.5%	-3.1%	9.35 m
Total Under Offer	1.73 m	2.05 m	2.11 m	2.15 m	1.52 m	-29.3%	-12.1%	
Vacancy Rate*	10.1%	10.2%	9.5%	8.9%	9.6%	0.7%	-0.5%	7.2%
New/Refurb Vacancy Rate	5.6%	5.7%	5.5%	5.1%	5.6%	0.5%	0.0%	3.6%
Active Requirements	5.10 m	5.54 m	4.42 m	5.65 m	4.78 m	-15.4%	-6.2%	4.43 m

\* difference from previous quarter/year

## KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
10 Gresham Street, EC2	110,862	Moody's Shared Services	Confidential
The Giltspur, EC1	91,127	Octopus Investments Ltd	Confidential
One Millenium Bridge, EC2	85,305	Alix Partners	Confidential
Peterborough Court, EC4	75,917	Morgan Lewis and Bockius UK LLP	£87.00
Peterborough Court, EC4	63,915	Just Group Plc	Confidential

Knight Frank deals

## INVESTMENT MARKET

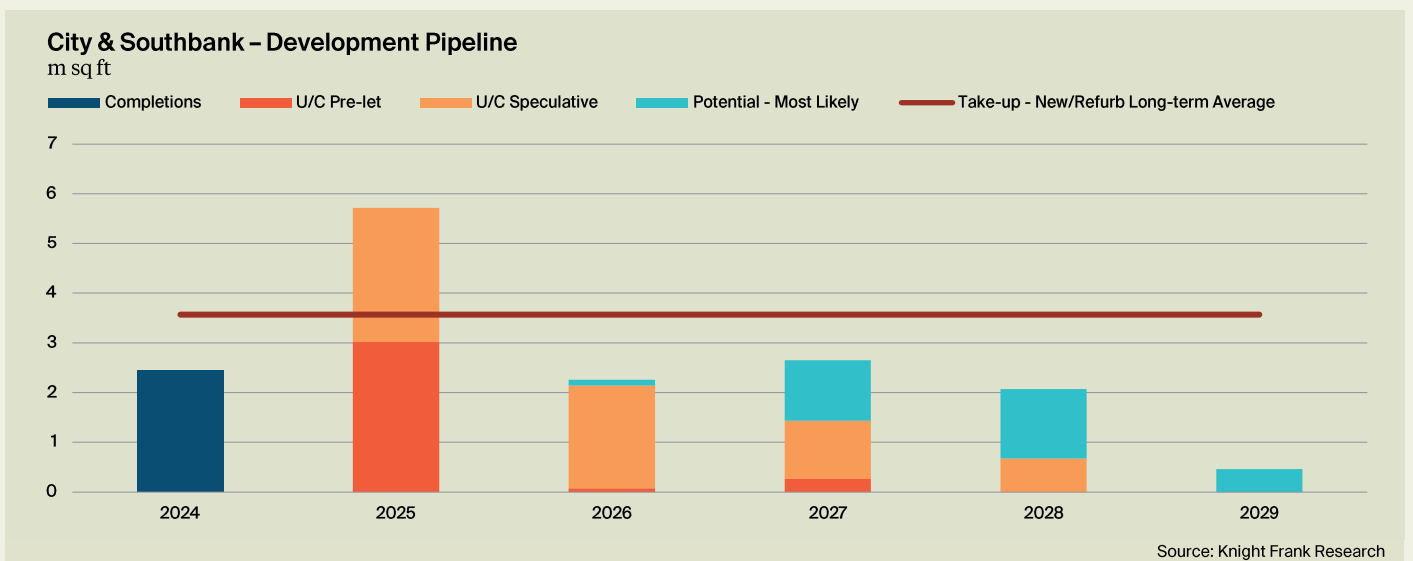
£bn, % per annum	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term average
						3M	12M	
Turnover	0.44 bn	0.31 bn	0.57 bn	0.52 bn	0.73 bn	38.6%	64.1%	1.73 bn
Availability	0.94 bn	1.31 bn	1.20 bn	2.35 bn	1.28 bn	-45.4%	36.9%	2.91 bn
Under Offer	0.72 bn	0.41 bn	0.72 bn	0.49 bn	0.94 bn	89.8%	29.8%	1.35 bn
Yield*	5.25%	5.25%	5.25%	5.25%	5.25%	0.00%	0.00%	4.36%

\* percentage point difference from previous quarter/year

## KEY INVESTMENT DEALS

Building	Price	Capital value (PSF)	Yield	Purchaser
90 High Holborn, WC1	£180 m	£991	6.60%	Polus Capital
The JJ Mack Building, EC1	£140 m	£1,351	5.85%	Ashby Capital LLP
The Relay Building, E1	£44 m	£424	11.46%	Harbour Group
1 Princes Street, EC2	c.£35 m	£442	-	Criterion Capital
10-4 Pentonville Road, N1	£26 m	£474	-	ZURU

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	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term average
						3M	12M	
Take-up	0.10 m	0.13 m	0.11 m	0.02 m	0.08 m	462.9%	-6.3%	0.18 m
Availability	4.19 m	4.44 m	3.43 m	3.78 m	3.74 m	-0.9%	-10.6%	2.52 m
Total Under Offer	0.23 m	0.24 m	0.06 m	0.18 m	0.24 m	33.3%	4.3%	
Vacancy Rate*	16.6%	17.6%	13.6%	14.8%	14.6%	-0.2%	-2.0%	10.3%
New/Refurb Vacancy Rate	7.7%	8.9%	7.9%	7.8%	8.0%	0.2%	0.3%	4.2%
Active Requirements	0.14 m	0.44 m	0.65 m	0.43 m	0.46 m	5.8%	226.4%	0.55 m

\* percentage point difference from previous quarter/year

## KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
1 Canada Square, E14	44,544	UCL	£60.00
Type Building, E15	10,604	Study Group Limited	£39.50
1 Westferry Circus, E14	10,000	University of Wales Institute	Confidential
1 Canada Square, E14	5,500	The General Optical Council	£65.00

Knight Frank deals

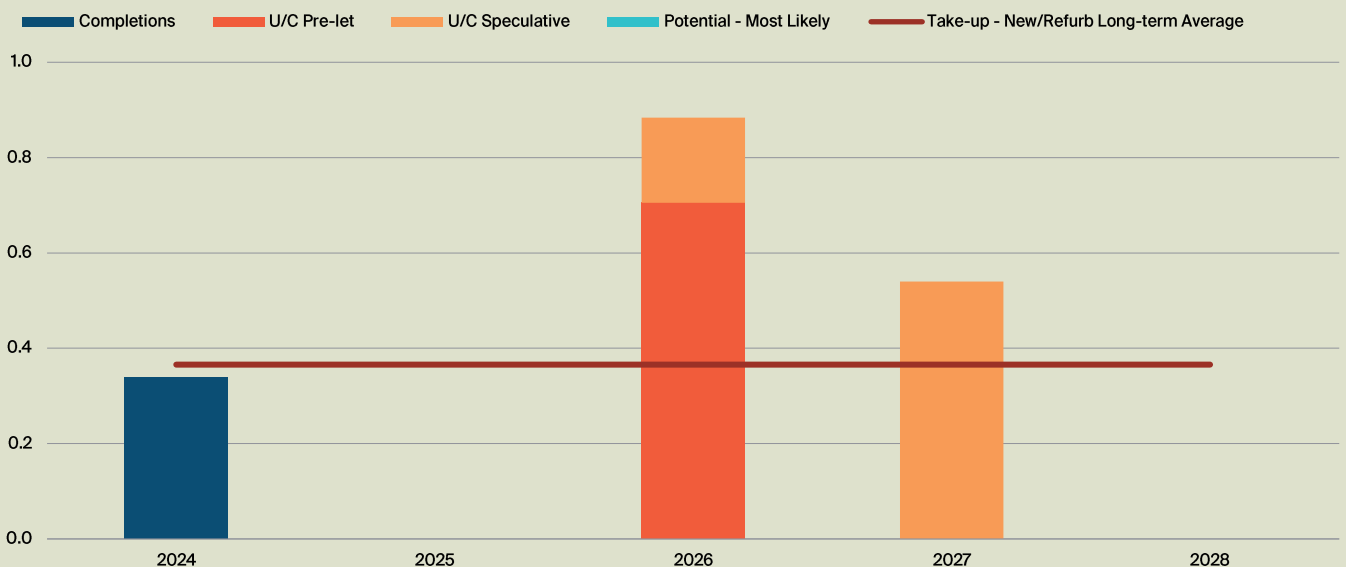
## INVESTMENT MARKET

£bn, % per annum	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term Average
						3M	12M	
Turnover	0.00 bn	0.00 bn	0.00 bn	0.00 bn	0.00 bn	-	-	0.11 bn
Availability	0.52 bn	0.08 bn	0.11 bn	0.09 bn	0.27 bn	194.8%	-49.2%	0.06 bn
Under Offer	0.02 bn	0.02 bn	0.02 bn	0.00 bn	0.00 bn	-	-100.0%	0.01 bn
Yield*	7.25%	7.50%	7.50%	7.50%	7.50%	0.00%	0.25%	5.21%

\* percentage point difference from previous quarter/year

## Docklands & Stratford – Development Pipeline

m sq ft



Source: Knight Frank Research

# West End Overview

## LEASING MARKET

m sq ft, % of stock	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term average
						3M	12M	
Take-up	1.40 m	0.62 m	0.68 m	1.21 m	1.11 m	-8.6%	-21.2%	1.07 m
Availability	6.84 m	7.04 m	7.69 m	7.42 m	6.68 m	-10.0%	-2.5%	5.75 m
Total Under Offer	0.82 m	0.95 m	1.40 m	1.05 m	0.66 m	-37.1%	-19.5%	
Vacancy Rate*	7.3%	7.5%	8.1%	7.8%	7.0%	-0.8%	-0.3%	6.4%
New/Refurb Vacancy Rate	4.9%	5.3%	5.6%	5.5%	4.8%	0.1%	1.8%	2.7%
Active Requirements	1.88 m	2.22 m	2.32 m	2.06 m	1.65 m	-19.8%	-12.2%	2.08 m

\* difference from previous quarter/year

## KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
21 Bloomsbury Street, WC1	79,789	CAA Creative Artists Agency	£90.00 - £103.50
66 Berners Street, W1	58,036	VCCP Ltd	£70.00
Sky Hub, Victoria, SW1	42,394	Confidential	£96.00
151 Buckingham Palace Road, SW1	38,704	Harbour Energy Ltd	£81.50
123 Buckingham Palace Road, SW1	37,860	Confidential	£62.94

**Knight Frank deals**

## INVESTMENT MARKET

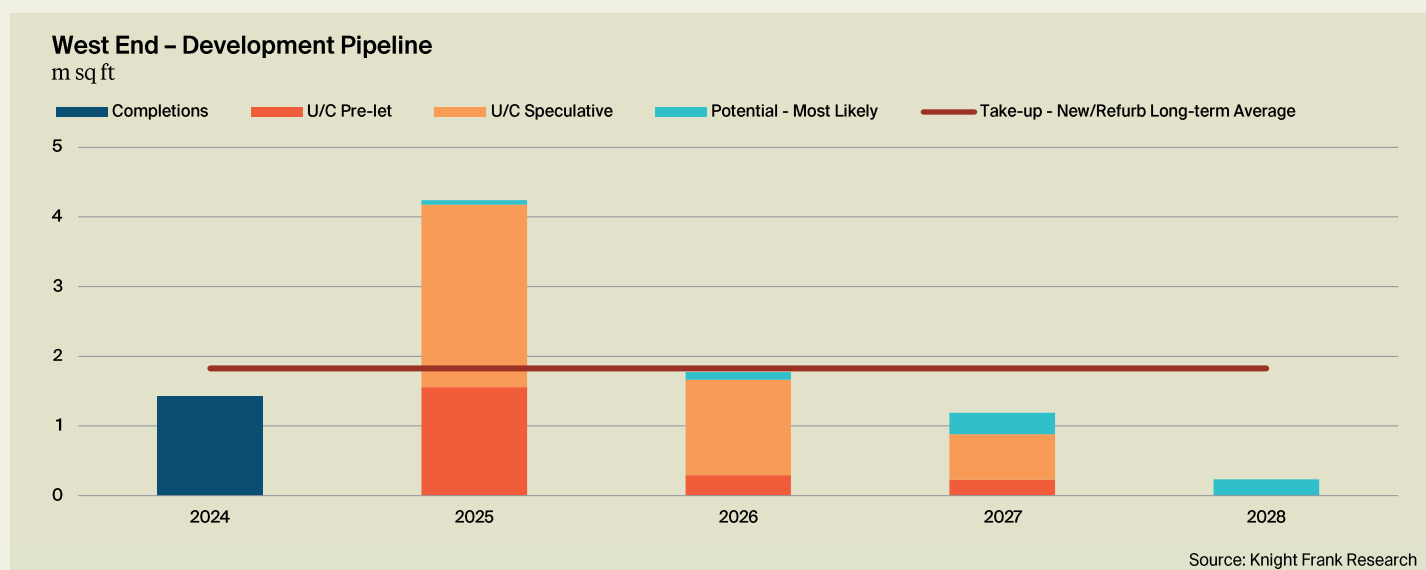
£bn, % per annum	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	% Change		Long-term average
						3M	12M	
Turnover	1.32 bn	1.00 bn	0.99 bn	0.79 bn	1.25 bn	58.6%	-5.3%	1.29 bn
Availability	2.69 bn	2.68 bn	1.63 bn	1.15 bn	1.09 bn	-5.2%	-59.4%	1.76 bn
Under Offer	0.59 bn	0.43 bn	0.73 bn	0.77 bn	0.98 bn	27.1%	65.9%	0.84 bn
Yield*	3.75%	3.75%	3.75%	3.75%	3.75%	0.00%	0.00%	3.56%

\* percentage point difference from previous quarter/year

## KEY INVESTMENT DEALS

Building	Price	Capital value (PSF)	Yield	Purchaser
11-12 St James's Square, SW1	£162 m	£1,967	-	Ellison Family
45 Pall Mall, SW1	£136 m	£2,268	4.33%	Ares
3 St James's Square, SW1	£126 m	£2,473	4.05%	Realty Income Corporation
30 Golden Square, W1	£72 m	£2,224	4.49%	Legal & General
350-354 Oxford Street, W1	£37 m	£2,869	5.35%	Ares

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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.
- 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

