M25 & South East Markets Report
Momentum Markets

Knight Frank

2024 | A spotlight on Offices and Life Sciences | knightfrank.com/research

Contents

Foreword

What is the most accurate description of the current South East office market? Evolving. Transforming. Polarised? This broad range of viewpoints is synonymous with today's marketplace. Whether negatively or positively impacted, it is undeniable that each market across the region is undergoing its most disruptive change in market dynamics of recent times.

It is the Momentum Markets that are embracing disruption to create growth. Each town or city leverages its inherent attributes, welcomes innovation, and uses private and public investment in partnership. Consequently, the need to align suitable space solutions is driving current real estate market activity and 'generating' future opportunities.

For office occupiers, the pressure is on to decide. A decision is needed on what role the office holds in an organisation's future business. And what does that look like in practice?

Fundamentally, changing workstyles and business models are altering the required quantity and quality of space. Organisations are employing new or adapting physical spaces to align with a new employee mantra of flexibility, wellness and experience. An employees commute to the office must have a purpose. Hybrid working is undoubtedly here to stay, but organisations and employees now recognise that creativity, collaboration, community and culture are best achieved face-to-face.

For Landlords, two very different stories are transpiring.

Older buildings lacking significant capital improvements or those that are in out-of-favour locations are experiencing greater challenges. Landlords are being presented with a choice. Invest in the asset to bring it up to the current market requirements or explore repurposing it for another use.

In contrast, new or recently refurbished buildings in well-located areas are experiencing healthy leasing activity. Demand for the 'best' buildings is growing, with organisations keen not only on well-located and amenitised buildings but also on those which support environmental, social, and corporate governance (ESG) aspirations.

It is anticipated that tenants will look to upgrade spaces in greater number when leases expire, raising demand in a market where high-quality space is already very limited. Landlords that can align with the elevated market expectations will be in a position to be able to charge premium rents, as demand for quality outstrips supply.

Some market commentators believe that changing preferences, compliance, higher interest rates and falling property values will bring some offices to a perilous precipice. Others that we are in a window of opportunity in the property cycle. Perspective is individual, of course, but the past denotes that change is constant and ultimately necessary for the health of the market.

Roddy Abram
Head of South East &
Greater London Offices

Simon Rickards
Head of National Offices
Capital Markets

Capital Markets overview

Looking forward to 2024

Undoubtedly, 2023 proved challenging for the South East office investment market, with volumes finishing at £1.3bn, 54% below the 10-year annual average. This low total should come as no surprise - a downward spiral of macroeconomic and geopolitical conditions heightened risk, while the high cost of debt and the structural shift legacy of COVID-19 questioned viability. The conclusion for most investors, therefore, was simple: to wait.

A retreat from the market is not a long-term option, however. Opportunities began to develop towards year-end as inflation sustained a downward trajectory and debt markets showed small reductions. Crucially, pricing has now shifted to an agreeable level for some purchasers and vendors. Activity is consequently beginning to pick up, and, following a period of concentrated attention in the sub-£15 million market, a handful of larger lot sizes have gone under offer.

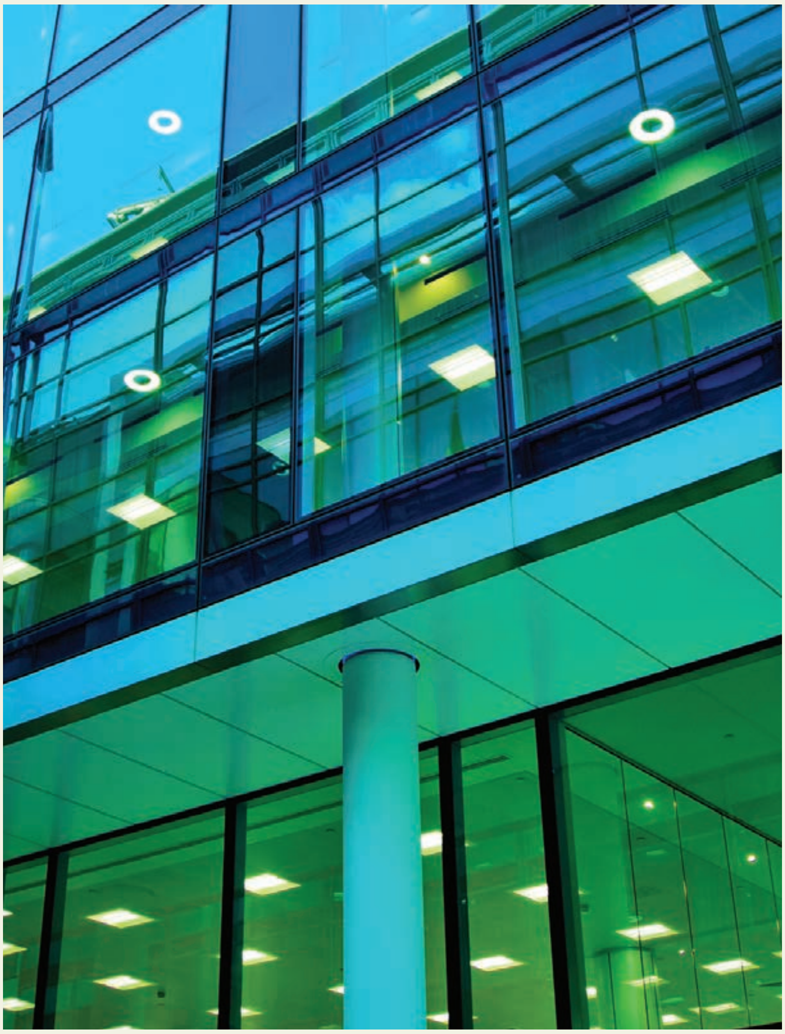
But not all markets are created equal.

Undeniably, the South East office market has shrunk. Once comprised of 50+ individual markets, investor and occupier activity now concentrates on a selection of growth areas. Polarisation has widened, with the best buildings in the most active locations recording record rents, often 10-25% ahead of previous peaks. Conversely, older stock in less favoured peripheral locations is subject to material change. The recent relaxation of Permitted Development Rights means office acquisition interest is often accompanied by an 'alternative use' underwrite.

So, what will underpin momentum in South East office markets moving forward?

Whilst the office market sees a general trend of declining stock, the Life Sciences market remains an area of demand, innovation and growth. The sector is subject to substantial investment from both the public purse and private capital. In 2023, two of the three transactions above £50m were Life Sciences deals, highlighting the level of liquidity and the lower cost of capital available for this type of asset.

Oxford and Cambridge - the principal 'Life Sciences' hubs of the South East - have carried strong favour. The two cities accounted for 44% of total market development in 2023, and these markets account for 45% of speculative development currently under construction.



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£50m

In 2023, two of the three transactions above £50m were Life Sciences deals, highlighting the level of liquidity and the lower cost of capital available for this type of asset.

But it's not just Life Sciences. The market for prime and income is regathering pace.

Investor focus is concentrated in locations that offer the strongest occupational backdrops, but quality is vital to pricing. After an outward shift, prime office yields in the South East (excluding Life Sciences) stabilised at 7.00%, reflecting a margin to City offices of 175bps and 325bps to West End offices.

A steadfast occupier preference for the best and greenest buildings underpins this level. Recent deals that support this include the sale of North Bailey House in Oxford, which exchanged at 6.85%, as well as the sales of 10 Bricket Road, St Albans, and St Paul's House, Winchester, which both traded at 7.25% NIY.

Private investors, particularly from the Middle East, have grown in number in recent months and shown particular interest in secure, long-income streams. In Q3 2023, the Kia HQ in Walton-on-Thames transacted at 7.00%, and 22 Market Street in Maidenhead at 7.28% - both 11 years income, purchased by Kuwaiti money. The pursuit of prime and income will be the mainstay of the market in 2024.

At the other end of the spectrum, many secondary and tertiary markets are experiencing a relative oversupply of offices. The shifting dynamics of occupier demand combined with a lower rental tone and elevated build costs are challenging the viability of some offices. More recently, the higher cost of capital has exacerbated the situation, with investors requiring higher returns and more cautious exit yields. The result? Stranded assets and obsolescence.

In early March 2024, however, the Government relaxed the criteria around Permitted Development, with the size limit (previously 1,500 sq m) and the three-month vacancy rule both scrapped. The saleability and value of many office buildings across the South East could now experience a positive shift following this change.

What next?

Below are five themes which we anticipate will dictate activity in the coming 12 months:

1

INCOME

The pursuit of prime income, particularly among private investors, will add competitive pressure to the market – we may see pricing harden here.

2

VALUE

The best located, prime multi-let deals are beginning to feel like good value at 7-8% NIY. Whilst the UK funds will unlikely invest with any regularity in 2024, other investor types (typically overseas wealth) will see an opportunity.

3

LIFE SCIENCES

A lack of product has held back Life Sciences volumes – as and when stock is delivered, we would expect it to trade at strong levels.

4

REPURPOSING

Investors will continue to bid aggressively for short-term income in areas outside Article 4.

5

OFFICE FIRST

Occupier demand increasingly demonstrates an ‘office first’ stance, meaning requirements are beginning to reflect expansionary business strategies. Limited supply will fuel competition for ‘right’ spaces and support upward rental pressure in the most sought after markets.

Moving into 2024, the market registered £398m in investment volumes in the first quarter. A positive start to the year, notably 23% ahead of 2023’s quarterly average. Inflation continues to fall, and a reduction in interest rates is forecast for the second half of 2024. A lower cost of debt will support activity, especially with investors seeking strategic opportunities during a countercyclical point in the market. Undeniably, the marketplace retains many challenges, but investors are beginning to see price, project and timing in a more favourable light.

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Navigating CRE debt markets in 2024

Integrating leverage into today's real estate transactions has become increasingly complex as the pendulum of debt costs has swung from historic lows to recent peaks. Yet, amidst these challenges, a newfound (but welcome) appreciation for the pivotal role of debt in investment decisions has emerged.

Discerning risk and return has become paramount in this era of fluctuating interest rates. With interest rates now peaking, the stage is set for investors to analyse potential returns with greater conviction. Consequently, we've witnessed greater investor activity since the start of the year.

As the UK navigates its path to recovery, we anticipate five key themes unfolding in debt markets this year:

1. **Distress, disguised?** – Some contend that the market lacks signs of distress – but we disagree with this sentiment. While comparisons to the post-GFC era might be tempting, it's crucial to acknowledge that today's distress wears a different mask. Instead of widespread Non-Performing Loan ('NPL') portfolios flooding the market, we're now seeing subtle tremors in single-asset loans (i.e., where the original loan was primarily secured by the underlying real estate rather than by the strength of the sponsor relationship) – particularly in sectors where collaboration from defaulting borrowers is lacking. Why is this happening? The landscape in 2024 is significantly different from the post-GFC period. Banks have embraced a more conservative approach to commercial real estate (CRE) lending over the past decade. Their focus on financing ventures led by well-capitalised sponsors has nurtured stronger relationships and reduced the likelihood of loan defaults.

2. **Collaboration among lenders** – Over the past 12 months, there has been a notable trend of lenders collaborating more effectively. Breached loans no longer evoke harsh default interest penalties. Instead, lenders are adopting a more flexible approach – granting sponsors time to effect a sale or refinance. This shift is significant, especially considering the perhaps unjust stigma of 'loan to own' often associated with debt funds of the past decade. The current period of dislocation and revaluation has proved that, for the most part, credit strategies from private equity (PE) houses are not primarily aimed at acquiring assets via the loan route.

3. **Blurring the lines between Debt and Equity** – The traditional boundaries between debt and equity are becoming increasingly blurred. Transactions often defy traditionality and embrace hybrid solutions that address refinancing challenges and safeguard sponsors while offering enticing upside potential. This hybrid approach is fuelled by the prevalence of debt funds, offering mezzanine and preferred equity solutions as a comprehensive 'one-stop shop' package. This creates an interesting and evolving market, uniquely supporting the current dislocation in a way we haven't previously seen.

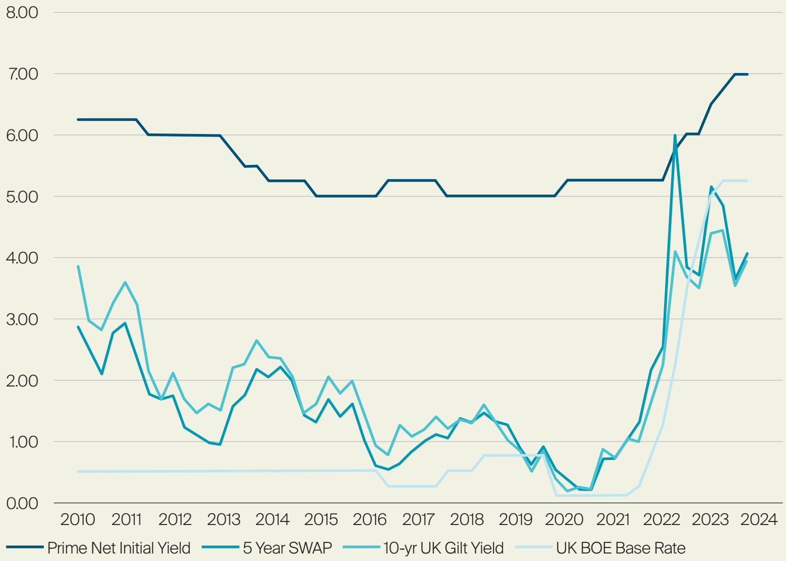
Banks have embraced a more conservative approach to commercial real estate (CRE) lending over the past decade.

4. **Pricing opportunities** – With high-interest rates reaching their peak and anticipated to decrease, the outlook for the coming months is optimistic. As margins stabilise, dynamics continue to shift, which is evident in the emerging bifurcation among sectors. The Living and Logistics sectors are already benefitting from cheaper finance, while margins for commercial offices have increased. Nonetheless, our team has secured competitive senior debt for various assets across the UK, underscoring that sensibly priced debt is still accessible.

5. **Gap to yield** – Following a period of dislocation in Q3 2022, the delta between 5Y SWAPs and prime net initial yields has returned. If rates continue downward, debt will become more accretive, potentially unlocking capital markets trades.

   The depth and complexity of today's debt market constantly evolve to adapt to new market conditions. The wide-ranging platform of capital sources offers investors a multitude of capital structures, which are much needed in today's challenging but optimistic environment.

Investment Landscape %



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What's the alternative?

The next phase of office market evolution is in full flow. It is predicted that office stock in England and Wales could reduce by 47m sq ft or 5% of total stock over the next 10 years.

Factors such as the shifting parameters of office demand, the rising costs involved with capital expenditure, outward yield shift, and unsupportive rental levels are challenging the viability of continued office use in non-core secondary/tertiary markets. Consequently, a significant proportion of existing office stock may soon be obsolete. Owners and buyers are considering alternative strategies to find an asset 'Purpose' and maximise 'Performance'.

In short, investors now have a decision to make. Factors such as investment timescales, debt exposure, and risk appetite play a role. Liquidity and optionality are key decision drivers. Exploring asset (Re)Positioning is essential in determining these, and numerous 'Growth' sectors are actively seeking development opportunities around the UK.

Living sectors, for example, are continuing to evolve and grow significantly, with Build-to-Rent (BTR), senior housing, and student accommodation maturing as investment avenues. Demand for student living typically increases during economic dislocations as people return to education looking to upskill, and more college leavers choose to attend university before entering the workplace. Other residential offerings will continue to face an excess of demand to supply. Affordability constraints in the private sales market (driven by higher mortgage rates), for example, will continue to drive solid rental demand and underpin expectations of robust rental growth, supporting the BTR market. In areas with an ageing population, demand for senior housing will also continue to grow.

From a commercial standpoint, Industrial and Logistics continues to prove resilient. The work at Bennet Court in Reading is a good example of where an office complex of two L-shaped buildings is to be demolished and replaced with a new logistics warehouse. Specialist sectors are additionally entering the investor attention sphere, especially Life Sciences, which has grabbed greater attention since the COVID-19 epidemic. The convertibility of offices to

£425m

Segro paid £425 million ($570m) for an office park opposite the Slough Trading Centre and merged the two to develop a cluster of data centres.

laboratory space appears an attractive option if the building envelope allows, with a recent example being Kadans repositioning space at 20 Water Street, Canary Wharf, into wet lab space. Moreover, the growth trajectory of data centres is steep, buoyed by new technologies such as AI and the digitisation of every facet of society and business. Segro, for example, paid £425 million ($570m) for an office park opposite the Slough Trading Estate and merged the two to develop a cluster of data centres. New sectors are also emerging. Examples of open storage, EV infrastructure, R&D space, and film studios are growing in the real estate landscape.

The challenge now is matching obsolete office sites with the most valuable alternative use.

Local Authorities are vital in unlocking these sites, with planning at the epicentre of any (Re) Positioning play. New planning regulations have open possibilities for much of this type of stock. In early March 2024, the announcement of new flexibilities on permitted development removed the size limit (previously 1,500 sq m) and the three-month vacancy rule. The effect of these changes on the liquidity and value of many office buildings across the South East located outside of an Article 4 direction is beginning to filter through.

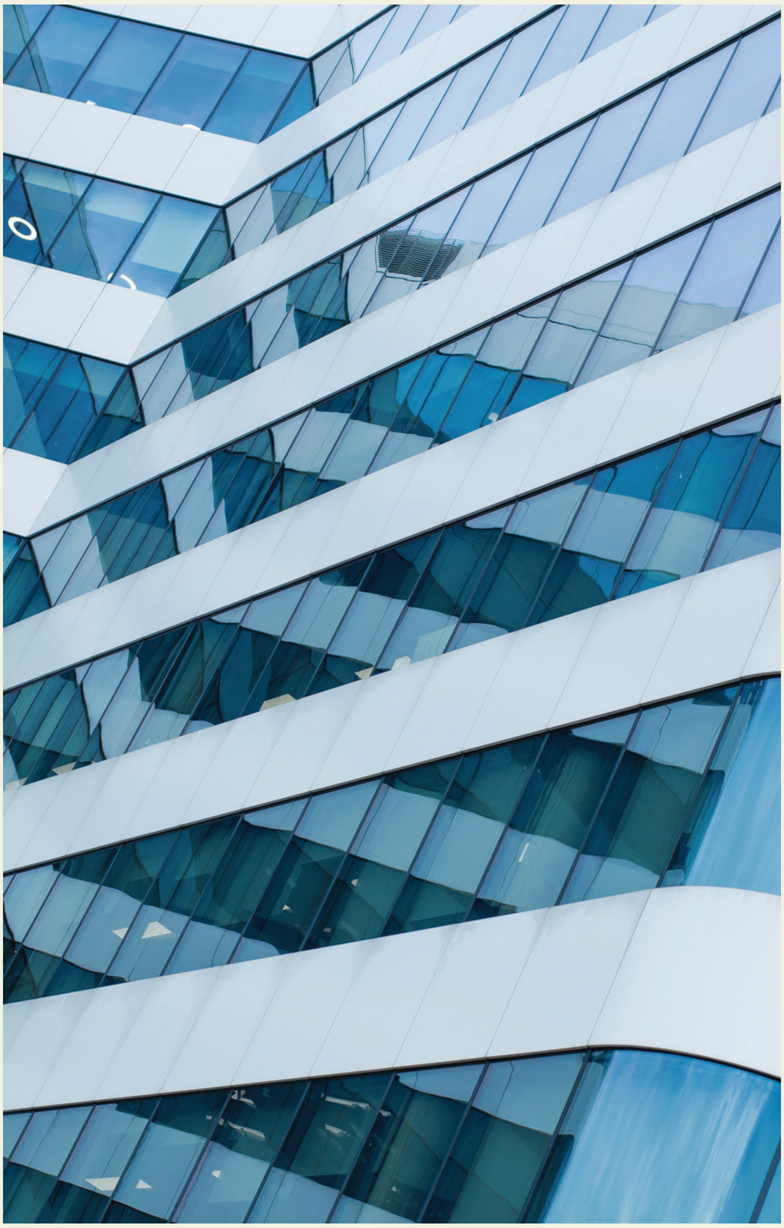
Even so, not all offices are suitable for conversion to another use type or are in locations appropriate for residential use. In these cases, exploring alternative uses with the local planning authorities is critical, either informally, via a pre-application or a formal planning application. With both cost and timing implications, not all investors will have the appetite for this route. Pricing will need to fall further in this instance, enabling a buyer to justify the investment timeframes and risk of unconditional site purchases.

With opportunistic buyers still mostly adopting a 'wait and see' approach on office redevelopments, particularly outside London, a re-purposing strategy may encourage a return through 2024. Private equity funds, a key player in the office sector through the Global Financial Crisis (GFC) recovery years, look set to capitalise on the falling values and higher returns. Short-term high-yielding income will prove attractive, providing much-needed returns while navigating the UK planning system.

Across the South East, there is still a high number of occupiers who own their buildings. Many are dated accommodations that no longer fit their purpose. Rather than embarking on a large redevelopment project, occupiers favour leasing best-in-class accommodation and liquidating existing sites. With speed and ease of exit preferred, these sites can offer buyers a compelling opportunity, particularly those with higher target returns and who are willing to bid unconditionally.

Many offices are at a crossroads in their life cycle. 'Purpose' is being considered more diligently than ever to preserve future value and maximise 'Performance'.

The challenge now is matching obsolete office sites with the most valuable alternative use.



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Decoding innovation-led real estate demand in Oxford and Cambridge

As take-up from the science and innovation sectors accelerates in the global innovation powerhouses of Cambridge and Oxford, we analyse the specific real estate needs of rapidly growing sub-sectors such as AI, engineering biology and quantum computing.

In today's knowledge-driven economy, Oxford and Cambridge stand out as undisputed powerhouses thanks to their unparalleled strengths in science and broader innovation.

Cambridge's position as the world's foremost cluster for patent applications and research citations based on population, coupled with Oxford ranking third globally on the same measure, underscores the remarkable intellectual prowess in these cities. Furthermore, the University of Oxford and the University of Cambridge consistently rank as the top UK institutions regarding the number of equity deals secured by spinouts and their respective spinout populations, cementing their status as incubators of cutting-edge ideas and entrepreneurial ventures.

Take-up and active demand

This critical mass of scientific and innovative capabilities has fuelled demand for appropriate real estate across both cities. Over the past five years, take-up from the science and technology sectors has grown by 3.4m sq ft, constituting 72% of the total take-up. Recent large-scale corporate investments, together with the opening of new research institutions, further amplify the real estate requirements emanating from the science and innovation sectors and the maturation of the supporting ecosystems. Examples include, BioNTech expanding their global R&D activities with a new lab in Cambridge and plans to open an Oxford branch of the Ellison Institute of Technology, designed to tackle the world's most pressing challenges. Looking ahead, the science and technology sectors account for 88% of named demand across both markets. These sectors also have 1.6m sq ft of lease expiries, impacting over 106 occupiers, occurring between now and the end of 2027.

Where next for innovation-led demand

Of course, science and innovation sectors are characterised by a vast array of companies and stakeholders, both interlinked and independent. This complexity means that the origination of demand and its real estate requirements are more nuanced than initially thought and are influenced by both local, national, and international opportunity and investment.

The biotech sector in Oxford and Cambridge saw a decline in venture capital funding during 2023 compared to the 2020-2022 boom. This downturn is impacting real estate decisions, but early signs of recovery are evident. In Q1 2024, biotech venture capital funding across both cities reached £311m, the highest since Q2 2022.

88%

Looking ahead, the science and technology sectors account for 88% of named demand across both markets. These sectors also have 1.6m sq ft of lease expiries, impacting over 106 occupiers, occurring between now and the end of 2027.

The cities of Oxford and Cambridge are also witnessing increasing interest in cutting-edge sectors such as artificial intelligence, software-as-a-service, quantum computing, and clean technology.

Considering the Life Sciences sector as a whole, it is undergoing a significant transformation. Notable examples include the convergence of Technology and Life Sciences, heightened mergers and acquisitions activity and R&D investment driven by big pharmaceutical companies' urgent need to replenish their product pipelines. This will generate fresh real estate demand as well as potential consolidation activity.

The cities of Oxford and Cambridge are also witnessing increasing interest in cutting-edge sectors such as artificial intelligence, software-as-a-service, quantum computing, and clean technology. These fields demand advanced real estate facilities and the same level of academic excellence that has fuelled the growth of the biotech sector. As these emerging sectors gain traction, they are poised to drive demand for specialised real estate solutions to support their unique requirements.

Using several key variables, overlaid with our market insight and expertise, we can decode the intricate nature of science and innovation-led real estate demand in both markets. This enables supply-side actors to further understand current requirements and also anticipate and accommodate the potential for exponential growth within the most burgeoning segments of the innovation economy.

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METHODOLOGY

To better understand demand dynamics, we examined several key variables and overlaid our local market knowledge. The specific variables analysed were:

- Venture Capital Funding 2019 to date.
- Exit activity 2019 to date. Namely M&A and IPO transactions.
- Employee growth.
- Company counts.
- Named demand.
- Patent applications.
- Publication citations.
- Spinouts.
- Fastest growing skills requirements.

Sources used: The Data City, PitchBook, Cambridge Ahead, LinkedIn, WIPO, Knight Frank

Cambridge

Employment in science and innovation sectors ranked by y-o-y % growth

	Total Employees	% growth employees (% change on previous year - April to April)
Environmental consulting	306	16.8
Medical instruments	2743	15.6
Biotechnology R&D	16628	11.7
Software development and publishing	7053	10.9
Other life sciences	1922	10.6
R&D social sciences	396	8.8
High-tech manufacturing IT	701	7.4
Other IT activities	91	7.1
Telecoms	2319	5.8
Low tech manufacturing	11703	4.5

Source: Cambridge Ahead. Data for 2022-2023.

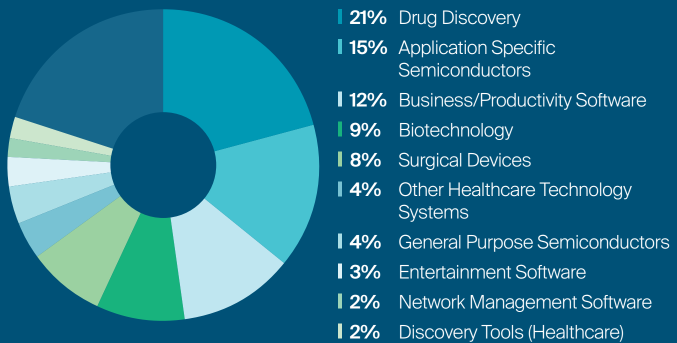
Number of companies, location quotient top ten

	Location quotient
Quantum Technology	30.78
Engineering Biology Application	25.9
Omics	18.93
Biopharmaceutical	15.44
Quantum Economy	13.12
Engineering Biology Supply Chain	10.21
Pharma	9.9
Artificial Intelligence	4.64
MedTech	4.15
Wearables and Quantified Self	3.57

A location quotient is a way to measure how much a region specialises in a certain industry compared to the whole country. Restricted to companies with over 50 employees and growing fast (20% or higher y-o-y growth).

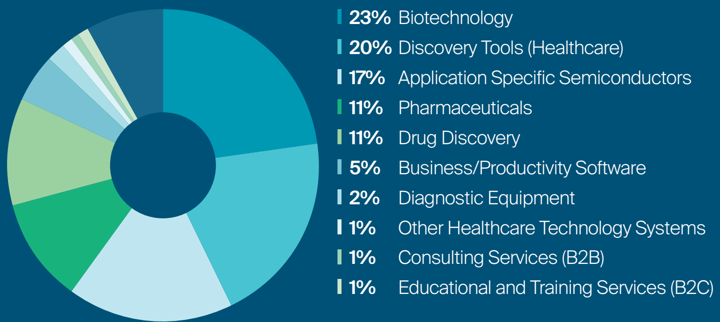
Source: The Data City

VC Funding 2019 to Q1 2024 % of total by deal value



Source: PitchBook

Exit activity (IPO and M&A) 2019 to Q1 2024 % of total by deal value



Source: PitchBook

Oxford

Employee Growth top ten industries

Industry	Professionals	1y growth
Venture Capital and Private Equity Principals	253	+83.3%
Higher Education	17,098	+55.9%
Think Tanks	212	+50.4%
Defense and Space Manufacturing	286	+45.2%
Environmental Services	789	+41.9%
Computer and Network Security	254	+35.1%
Chemical Manufacturing	449	+30.9%
Food and Beverage Manufacturing	408	+27.9%
Technology, Information and Media	711	+23.7%

Source: LinkedIn

Number of companies, location quotient top ten

	Location quotient
Engineering Biology Application	23.7
Pharma	14.97
Biopharmaceutical	10.99
Omics	9.45
MedTech	8.85
Wearables and Quantified Self	6.54
Engineering Biology Supply Chain	6.23
Life Sciences	2.92
Artificial Intelligence	2.12
Data Intermediaries	1.74

A location quotient is a way to measure how much a region specialises in a certain industry compared to the whole country. Restricted to companies with over 50 employees and growing fast (20% or higher y-o-y growth).

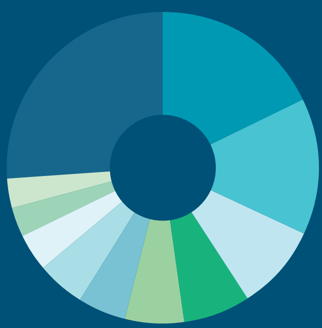
Source: The Data City

VC Funding 2019 to Q1 2024 % of total by deal value

- **14%** Drug Discovery
- **11%** Media and Information Services (B2B)
- **9%** Business/Productivity Software
- **8%** Biotechnology
- **8%** Electronic Equipment and Instruments
- **8%** Energy Production
- **7%** Aerospace and Defense
- **6%** Discovery Tools (Healthcare)
- **5%** Diagnostic Equipment
- **4%** Application Specific Semiconductors

Source: PitchBook

Exit activity (IPO and M&A) 2019 to Q1 2024 % of total by deal value



- **18%** Drug Discovery
- **14%** Biotechnology
- **9%** Consulting Services (B2B)
- **7%** Electronic Equipment and Instruments
- **6%** Therapeutic Devices
- **5%** Electronics (B2C)
- **5%** IT Consulting and Outsourcing
- **4%** Diagnostic Equipment
- **3%** Discovery Tools (Healthcare)
- **3%** Surgical Devices

Source: PitchBook

Tailoring science and innovation hubs to occupier needs

So how can those on the supply-side of real estate develop offerings that address the specific needs of these sectors while also fulfilling the initial requirements of early-stage companies and adapting to support their growth and evolution?

Creating a successful Life Sciences and innovation hub requires a nuanced understanding of the specific sub-sectors to be targeted. Each sub-sector has unique technical requirements, talent needs, and ecosystem preferences. Rarely can a single development cater to all sub-sectors. Therefore, it is crucial to identify the specific sub-sectors that will be the focus of the new development.

Stakeholders should assess the existing innovation ecosystem and identify which sub-sectors are not being adequately supported or catered to in the location. Additionally, they should try to predict those that are likely to experience growth over the next decade and assess their potential real estate requirements. This understanding will inform the development's uses, asset design, and scale. The data contained in this article is critical to such assessments.

Building flexibility into the masterplan design is essential at a design level to respond to changing and future demand requirements. Encouraging a deep concentration of linked sectors and research institutions is vital. This involves creating spaces for companies of varying sizes and ages, from startups to established firms. The strength of successful science and innovation districts derives from this eclectic mix of occupiers. Successful master planning and design also rely on creating appropriate facilities for the targeted sub-sectors (lab, office, research facilities, etc.) and connected spaces that encourage serendipitous encounters. While many multi-occupancy campuses are developed in phases due to funding, costs, and demand, it is crucial to establish a strong sense of place from the outset. This identity will help attract the first occupiers, which are essential for building critical mass. Finally, programming opportunities are often overlooked but paramount. Regular, well-run programs are critical for growing skills and building networks, acting as the connective tissue of science and innovation clusters.

Market Insights - Momentum Markets

The Momentum Markets are the South East cities or towns subject to the greatest interest, activity and growth potential. Collectively, they account for two-thirds of recent leasing and investment activity and have experienced the highest level of rental growth. In the next section, we take a closer look at each.

Brighton

TAKE UP
Sq ft rolling 12 months to 31st March 2024

42% 80,300

VACANCY RATE
Q1 24

4.2%

PRIME RENT
£ per sq ft

6% £42.50

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

20 months

TYPICAL RENT FREE PERIOD
As at 31st March 2024

LEASE EXPIRIES
Sq ft 2024-2028

476,100

UNDER CONSTRUCTION
(SPEC)

106,900

RENT PROJECTION
by 2025

£45.00

Please refer to the back page for methodology.

Why Brighton?

Ranked in the top 70 of The Complete University Guide, Brighton's two universities generate a diverse talent pool. Fuelling TMT growth, the University of Brighton is known for its creative courses, whilst the University of Sussex is considered a leading research-intensive establishment. The Sussex Innovation Centre, a business incubator subsidiary of the university, bridges the gap between education and the workplace by supporting the formation and growth of tech and knowledge-based companies.

Alongside a strong student representation, the more affluent population of the neighbouring Hove provides an employee base for the long established Professional Services sector. The lifestyle offering that Brighton delivers acts as a magnet for talent. The town centre has many amenities, with over 400 independent bars, cafes and restaurants in the Lanes with an abundance of leisures facilities. Not only will people come, but they will stay.

What is the shape of the office market?

The Brighton office market has consistently recorded strong demand and rental growth, but 2024 is seeing a shift in supply-side dynamics and the nature of occupier demand.

Annual take-up in Brighton reached 72,139 sq ft in 2023, 13% above the 5-year average. Although this is 55% below the previous year, deal numbers increased by 43%, with Financial and Business services underpinning activity. Significantly, take-up levels are dependent upon development, with supply not always able to meet potential demand.

Unlike other key markets, there is a notable grade B market in Brighton. In 2023, grade B space accounted for 29% of total take-up. However, new and grade A space remains the principal focus of occupier demand, pushing up rents in an acutely supply-constrained market.

Who is taking space?

The drivers of occupier demand are changing. Although the Technology and specifically Gaming sectors are principal clusters, this has not translated into occupier demand recently. Professional Services, Business Services and Financial occupiers have been growing in activity, with leading names such as NatWest, Knights Plc and Close Brothers all taking grade A space in the best available buildings. Over the past year, letting activity has been underpinned by demand from the Financial and Business services sectors, accounting for over two-thirds of take-up in 2023.

What does future demand look like?
Looking forward, 74% of named demand in Brighton is from occupiers within Financial and Business Services, with the balance from the Technology sector.

What factors will challenge growth?
The growth of the Brighton office market is hampered by a lack of high quality supply and a limited pipeline of development. Availability of new and grade A stock stood at 82,896 sq ft in Q1 2024. This was all out-of-town and does not reflect the very best quality that occupiers are increasingly demanding. MRP's Portland Building is the most recent development to reach practical completion. However, 50% of this space is leased to Close Brothers and DMH Stallard at record headline rents, leaving just 15,000 sq ft of town centre availability.

Living in Brighton comes at a premium. The average house price fell by 5.5% year-on-year to £422,000 but remains 13% and 49% above the South East and UK averages, respectively. Private rents continued to rise, reaching an average of £1,723 per month in March 2024. Compared to the South East average of £1,279, Brighton presents a 35% premium. The affordability issue has the potential to prevent a proportion of the potential workforce from locating in and around the town.

Is office supply to grow?
The future office development pipeline offers little relief, with just 106,900 sq ft of stock currently under construction in Brighton. At the time of writing, no buildings could accommodate larger occupiers with requirements of 50,000 sq ft or above. However, approximately 70,000 sq ft of space is being repositioned in phases at Trafalgar Place, albeit such a requirement would be split across multiple buildings.

What will underpin longer-term growth?
There is good reason to be optimistic about Brighton as an office market. Continued rental growth owing to a lack of supply provides an opportunity for investors, whilst the current prime rent of £42.50 offers a discount to occupiers compared to other key South East markets. Brighton has seen rental growth of 31% since before the pandemic in 2019 and currently commands quoting rents of £45.00 per sq ft for the best quality space. Although there is a lack of land availability due to the natural barriers of the South Downs National Park to the north and the sea to the South, the supply and demand imbalance drives rental growth.

Public and private investment into Brighton demonstrates continued confidence in the area. The proposed redevelopment of Brighton's marina will be led by Brighton & Hove City Council, funded by Coast to Capital, and will improve the environment and infrastructure of the seafront. Whilst it is not currently focused on office space, the improvement of public spaces and additional housing will attract occupiers and workers to the local area, maintaining the momentum of Brighton as a key market into the future.

Drivers

Education providers: Two key universities provide a diverse local talent pool for occupiers.

Quality of life: Lifestyle offering and well-being from nature (South Downs National Park and the Seaside).

Headwinds

Land availability: Natural barriers to the north and south limit potential development, alongside competition from other use classes, including hotel, student and residential.

Cost of living: house prices and private rents are 49% and 35% above the South East averages, respectively.

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Cambridge

TAKE UP
Sq ft rolling 12 months to 31st March 2024

54% 506, 700

VACANCY RATE
Q1 24

5.2%

PRIME RENT
£ per sq ft

4% £65.00

AVAILABILITY BY GRADE
As at 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

15 months

LEASE EXPIRIES
Sq ft 2024-2028

2,151,000

UNDER CONSTRUCTION
(SPEC)

1,157,400

RENT PROJECTION
by 2025

£67.50

Please refer to the back page for methodology.

Why Cambridge?

Renowned for its globally leading university and, more recently, a burgeoning Life Sciences sector, Cambridge is firmly on an accelerating growth path. Alongside London and Oxford, Cambridge forms part of the UK's Life Science 'Golden Triangle', with the sector's 'post-Covid' expansion fuelling new research and development space demand. Organisations in the city, however, extend beyond the Life Sciences sector and stem from a wide array of disciplines ranging from other science-derived industries to technology and financial services. Notably, many of Cambridge's resident organisations originated in the city, a product of a commercial offshoot from the university. Globally recognised corporations have also gravitated here, enticed by the high-calibre workforce and a well-established research base. Consequently, Cambridge is rightly regarded as a principal global centre of innovation.

What is the shape of the office market?

The market in Cambridge comprises circa 10m sq ft and is a mix of science and business parks and city centre offices. Over the past five years, occupier demand has principally concentrated at out-of-town centres, accounting for 75% of take-up. On average, Cambridge records around 440,000 sq ft of take-up annually, albeit stronger activity in 2023 propelled the overall take-up to 8% ahead of the longer-term trend.

Increasingly, lab-enabled space accounts for a more significant proportion of market demand as science-derived organisational interest grows. In 2023, 39% of overall take-up was for this type of space. If considered by the number of deals completed, this percentage rises to 51%.

A lack of suitable space to service occupier demand and the growing Life Science sector has given landlords the confidence to keep pushing rents. During 2023, office rents increased by 11% and lab enabled space by 4%.

Who is taking space?

Given the strong research basis of the university and proximity of Addenbrookes Hospital, organisations from Pharmaceutical and Healthcare denominations account for 51% of take-up over the past 5 years. This increased to 64% in the last full calendar year, with BioNTech's 79,000 sq ft lease of the newly completed 1000 Discovery Drive, Cambridge Biomedical Campus, in Q4 2023 supporting this high representation.

The TMT sector additionally holds a strong interest in Cambridge. Global firms such as Apple, Roku, Amazon, and Microsoft have established a presence, while ARM Holdings - a succession of Acorn Computers - originated in the city. The sector accounts for 30% of take-up over five years and 34% in

2023, with the standout deal of 2023 being Nyobolt – creator of ultra-fast battery charging solutions - signing a pre-let for 37,000 sq ft at Evolution Business Park.

What does future demand look like?

Research and development dominate the forecast of business growth in Cambridge and, as such, potential real estate activity. At the time of writing, 610,000 sq ft of space requirements are active in the city, with 92% derived from Pharmaceutical, Healthcare or TMT firms.

What factors will challenge growth?

Supply is the most significant tow on growth. The overall vacancy rate in Cambridge was 5.2% at the end of Q1 2024, one of the lowest in the South East markets monitored. This has decreased by 100bps in the last 12 months. Significantly, only two buildings could accommodate a requirement of 50,000 sq ft.

Is office supply to grow?

As of Q1 2024, 1.2m sq ft of space was under construction, of which 1.1m sq ft is speculative. Delivery is scheduled relatively evenly over the next three years, with 255,000 sq ft in 2024, 461,000 sq ft in 2025 and 441,000 sq ft in 2026.

Most of the market's major speculative schemes are aimed at Cambridge's burgeoning Life Science and Technology sectors. Close to 586,400 sq ft of 'Lab Enabled' space is due to be completed before the end of 2025. Key projects include BioMed Realty's (Blackstone) One Granta at Granta Park. The speculative scheme will deliver 105,000 sq ft on completion at the end of 2024.

Also underway is Abstract Mid Tech's South Cambridge Science Centre (SCSC). Part of Dales Manor Estate was bought by Canmoor and Tristan, called Accelerator Park and Phase 2 will add 86,000 sq ft of mid tech space in Q2 2025.

For delivery in 2026, RailPen is advancing two major developments in Cambridge. Botanic Place is a 304,000 sq ft sustainable office scheme, and Devonshire Gardens is a 120,000 sq ft mixed-use development. Socius is developing both projects on behalf of Railpen.

What will underpin longer-term growth?

Several significant announcements over the past 12 months support the prediction of continued growth in Cambridge.

AstraZeneca will expand its presence at Europe's largest Life Sciences cluster in Cambridge with £200 million in investment. The facility will house around 1,000 employees and be adjacent to its £1.1 billion global R&D Discovery Centre (DISC), which already hosts 2,300 researchers and scientists.

A new mixed-use regeneration scheme at Cambridge North has been given the go-ahead. Brought by the Chesterton Partnership – a venture comprising Network Rail Property and DB Cargo and development partner Brookgate – the scheme will deliver 578,000 sq ft of commercial space, including provision for new laboratories and offices. Once fully completed, Cambridge North will support 4,300 jobs.

The National Infrastructure Commission will boost the economic contribution of the Cambridge-Milton Keynes-Oxford corridor by more than £160 billion a year by adding an East-West Rail. The city council has set a goal of 2030 for the rail service, which will allow for continued growth along the corridor, further growing Cambridge's labour force and economy.

A new station is already underway, with Cambridge South due to open in 2025. This will connect the Biomedical Campus with potential destinations such as Central London, London Stansted Airport, Ely and Birmingham, and is expected to form part of the new East West Rail route from Bedford to Cambridge when constructed.

Drivers

Growing clusters: The Cambridge Cluster is Europe's most successful technology network. More than 5,000 knowledge-intensive firms are based in and around Cambridge, employing more than 69,000 people and generating £18 billion turnover.

The triple helix: Academia, clinical access and corporate investment.

Strong investment: Cambridge receives positive investor appetite with £4.5bn total investment funding and £52m innovate UK grant funding (43 grants).

Headwinds

House prices: The city's affordability ratio is 11.8, far higher and therefore less affordable than both the English average (8.4) and most other major cities, which range from around 5 to 9 (London has 14.7)

Land availability and values: Land availability for development is low, meaning land values have increased as demand is unmet. Cambridge ranks second only to London in land value for residential, office and industrial uses.

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Guildford and Woking

TAKE UP
Sq ft rolling 12 months to 31st March 2024

219% 338,200

VACANCY RATE
Q1 24

6.7%

PRIME RENT
£ per sq ft

13% £45.00

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

24 months

LEASE EXPIRIES
Sq ft 2024–2028

1,400,000

UNDER CONSTRUCTION
(SPEC)

76,500

RENT PROJECTION
by 2025

£46.50

Please refer to the back page for methodology.

Why Guildford and Woking?

Education is the backbone of these leading Surrey office markets. Ranked 13th according to the Complete University Guide 2024, the University of Surrey provides occupiers with a competent talent pool nearby. With the university ranked first for informational technology and systems, the highly active TMT firms benefit from a vastly capable potential workforce.

Guildford and Woking are commuter towns. As such, they are highly connected, with Woking arguably Surrey's best-connected town centre, meaning London Waterloo and Clapham Junction can be reached in just 22 minutes and 18 minutes, respectively. Alongside accessibility to talent and clients, they benefit from investment into local amenities as key markets. Woking has benefitted from recent new mixed-use development in the town centre, whilst people are drawn to Guildford for its abundance of amenities and historic charm.

What is the shape of the office market?

Woking has arguably had more public and private investment over recent years but both markets have attracted a breadth of major occupier lettings including LGC, Allianz, Colgate, Nomad Foods and BDO.

Occupier demand is growing. Take-up in 2023 finalised at 253,394 sq ft, more than double the previous year and 56% above the 5-year annual average. Q1 2024 has begun positively, with 97,779 sq ft of take-up recorded, more than double the 5-year first quarter average.

Over the past five years, 64% of occupier activity has been within the town centres of Guildford and Woking. In the first quarter of 2024, this increased to 93%, with occupiers gravitating toward amenities and accessibility.

Who is taking space?

The Surrey markets benefit from continued interest from both TMT and Financial and Business Services companies. Over the past 5 years, these sectors account for 35% and 20%, respectively. However, in 2024, Surrey County Council took 66,415 sq ft of grade A space in Woking's Victoria Gate, bolstering activity from the Public Sector.

Gaming companies are the mainstay of TMT activity, accounting for 47% of total space leased to the sector. Guildford has established a gaming cluster centred around Electronic Arts, who moved to Guildford in 2004. Supermassive Games, Wargaming and Glowmade Games have grown within this 5-year period, completing multiple deals for grade A space across this timespan.

What does future demand look like?

The TMT sector remains the most active. Of the 417,500 sq ft of named demand in Guildford and Woking, 63% is derived from the TMT sector.

Significantly, over 1.4m sq ft of space is subject to a lease event before the end of 2028, with Electronic Arts the most high profile.

What factors will challenge growth?

Like many other key South East markets, limited space restricts growth. The availability of new and grade A space is 247,781 sq ft, 45% below the 5-year average in Guildford and Woking. Most of this space is out-of-town, meaning no new or grade A space is ready for immediate occupation in the town centre markets. In Woking, nearly all available new and grade A space is currently under offer.

Is office supply to grow?

Development is thin. There is just one scheme of note in Woking at 1 Chobham Road, which has consent for c.130,000 sq ft of highly sustainable brand-new office stock on underutilised brownfield land in the town centre. In Guildford, Kingsbridge Estates' Bottleworks development is the only scheme under construction in its town centre, and it is already 60% pre-let ahead of practical completion later this year.

Redevelopment opportunities in Woking appear more limited than Guildford given the scale of recent development. An arguably restrictive planning environment in Guildford has held back new schemes being delivered in the town centre but there are interesting opportunities close to the station, ripe for re-positioning, in the coming years.

What will underpin longer-term growth?

Continued public and private investment in the local areas will be essential for future market growth. Solus' £150m regeneration of Guildford Station and the surrounding area demonstrates investor confidence in the market, as the enhancement of the station building is in anticipation of passenger growth over the next 20 years. The added amenity of 438 new homes, c.37,000 sq ft of retail and c.20,000 sq ft of office space will support the town's growth of Woking into the future. In Guildford, the proposed transformation of the former BHS site would provide more than 270 homes, with a strong focus on sustainability. Much like in Woking, the infrastructure is being transformed to accommodate the expected continuation of momentum in the market.

The emergence of a new wave of development will be key to achieving further rental growth in Guildford and Woking. All eyes are on the potential redevelopment of 1 Farnham Road by Orchard Street Investment Management, providing c. 75,000 sq ft of brand-new office space to Guildford's town centre by 2026. If speculatively developed, its delivery would undoubtedly see new record headline rents achieved in the market.

Drivers

- **Clustering effect:** established gaming cluster attracts new companies.
- **Education backbone:** the University of Surrey provides a highly educated local talent pool.
- **Commuter town:** connectivity and amenity offering attracts occupiers and talent.

Headwinds

- **Land availability:** restrictive planning environment delaying town centre office investment/development decisions.
- **Woking Borough Council Funding:** Council funding gaps are growing, which could affect local services and future inward investment and development.

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Maidenhead

TAKE UP
Sq ft rolling 12 months to 31st March 2024

53% 189,600

VACANCY RATE
Q1 24

10.2%

PRIME RENT
£ per sq ft

21% £52.50

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

24 months

LEASE EXPIRIES
Sq ft 2024–2028

797,400

UNDER CONSTRUCTION
(SPEC)

0

RENT PROJECTION
by 2025

£55.00

Please refer to the back page for methodology.

Why Maidenhead?

A key strength of Maidenhead as an office location is its connectivity to its surrounding areas. The transport infrastructure means that London can be reached in as little as 17 minutes via train and is easily accessible via the M4 motorway. Access to a diverse workforce is vital for occupiers and reaching key UK centres within a reasonable journey time.

Lifestyle and wellbeing are another of Maidenhead's strengths. The Chapel Arches, One Maidenhead and Tempo developments have provided the town centre with abundant usable space, including housing, retail, public spaces, food and beverage, and offices. This is key for occupiers, who need to attract and retain talent. Onward, the Nicholson Quarter regeneration will be key in continuing the momentum by providing the space for employers and employees to remain and relocate.

What is the shape of the office market?

Recent occupier activity has solidified Maidenhead's position as a growth M4 corridor market. Alongside the recent letting at Tempo to Johnson and Johnson, the town is home to various large corporations, including Maersk, Seiko, Biogen, Abbott, Blackberry and Volvo.

Annual take-up in 2023 reached nearly 97,000 sq ft, 19% above the 5-year annual average for Maidenhead. 2024 has already exceeded this total, with more than 100,000 sq ft of space already leased in Q1. This is 25% above the 5-year annual average and 3% above the 2023 total. Bolstering occupier activity this year was the pre-let of 97,488 sq ft of comprehensively refurbished best-quality space at Tempo to pharmaceutical giant Johnson & Johnson. With historically greater activity in Maidenhead's out-of-town market, Tempo is set to reinforce the town centre as an important office market.

Who is taking space?

Maidenhead benefits from a diverse occupier pool, primarily across the TMT, Pharmaceutical, and Financial and Business Services sectors. Over the past five years, most occupier demand has derived from the TMT, Pharmaceutical, Healthcare, MedTech, and Manufacturing sectors. The recent pre-let to Johnson & Johnson will likely improve the attention of Pharmaceutical companies in the coming years, with the potential for clustering to occur.

Like many key centres, occupiers are focused on the best quality space. In 2023, 90% of take-up was for new or grade A space. In 2024, this has increased to all activity. The quality of the space offering at Tempo has set the benchmark for future stock in Maidenhead. Occupiers increasingly demand

amenity-rich space, including end-of-trip and exercise facilities, and Tempo offers the highest environmental and well-being accreditations.

What does future demand look like?

At the time of writing, approximately 205,000 sq ft of requirements were active in the market. Notably, 75% of this derives from technology firms. Further ahead, almost 800,000 sq ft is subject to a lease event in Maidenhead before the close of 2028.

What factors will challenge growth?

A lack of sufficient office stock is restricting the Maidenhead market. There are no speculative office developments currently under construction. Availability at the end of Q1 measured 319,950 sq ft of new and grade A office space, all out-of-town. With just two buildings able to support a requirement of 50,000 sq ft or above, none of which are in the town centre, development must resume for large occupiers to continue to be drawn to Maidenhead. Trehus and the Kings Chase development site could accommodate such a requirement and provide an opportunity for pre-let, but work is yet to start.

Relatively high housing prices will undoubtedly limit a proportion of the potential talent pool from locating in Maidenhead. The average private rent in Windsor and Maidenhead stood at £1,552 in March 2024, 19% above the South East average and 25% above the rest of the UK. House prices are also above the South East and UK averages, reaching £551,000 in February 2024, making Windsor and Maidenhead the third most expensive borough to locate within the South East, and is nearly double the average price of the UK.

Is office supply to grow?

In the short term, no. The only scheme currently under construction is Tempo, with all space now leased. Further ahead, up to circa 800,000 sq ft is in the pipeline. However, with no confirmed start dates, examples of new supply coming to market are some way off.

What will underpin longer-term growth?

The new magnet occupier, Johnson & Johnson, is a positive for Maidenhead. Not only will this attract other large organisations to the town, but it may also result in the formation of a Pharmaceutical cluster in the heart of Maidenhead as companies seek the spillover effects and talent pool derived from agglomeration.

Rental growth in Maidenhead is strong. Excluding Oxford and Cambridge, Maidenhead achieves the highest rents outside of London at £52.50 per sq ft. Maidenhead's town centre has the highest year-on-year rental growth of any town across the South East markets at 21%. Investors and developers can reap the returns from rental growth, which may make it viable to begin the construction of proposed developments.

Drivers

Multi-modal connectivity: London can be reached in 17 minutes by rail and easy access by car via the M4 corridor.

Rental growth: having achieved the highest annual rental growth across the South East markets, there is an opportunity for investors and developers.

Headwinds

Housing prices: the average house price in Maidenhead is 1.5x higher than the South East average.

Lack of office stock: with no developments under construction and the borough council focusing housing allocation on existing urban areas, the supply squeeze will continue.

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Oxford

TAKE UP
Sq ft rolling 12 months to 31st March 2024

140% 730,300

VACANCY RATE
Q1 24

7.3%

PRIME RENT
£ per sq ft

14% £62.50

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

12 months

LEASE EXPIRIES
Sq ft 2024-2028

1,018,600

UNDER CONSTRUCTION
(SPEC)

790,900

RENT PROJECTION
by 2025

£68.00

Please refer to the back page for methodology.

The market today
Oxford is a top three global university. As a cornerstone of the Golden Triangle, 50% of Life Sciences activity in the UK takes place in the city. The innovation ecosystem is distinctly diverse, with core science sectors, biotechnology, chemistry and healthcare, integrating with advanced engineering, deep tech, quantum and information technology. In effect, a perfect blend as science and technology collide and digital capability drives progress. The University conducts cutting-edge research, and numerous science parks and incubators foster entrepreneurship and innovation underpinned by access to a pool of highly skilled graduates, postgraduates and researchers. Notable firms derived from this ecosystem include Vaccitech, Oxford Nanopore and Oxa.

What is the shape of the workplace and science market?
The market in Oxford is circa 7m sq ft of stock, providing a range of office, laboratory and tech box space in the city centre and within established city science clusters. Science and innovation have agglomerated within established districts on the edge of town at Oxford Science Park, Begbroke, Milton and Harwell, and other former business park schemes are now repositioning successfully to attract science. These parks collectively accommodate research and technology-based companies, startups, and corporate offices, with a focus on placemaking, shared amenities and services all necessary to attract the best talent available.

The success of Oxford Sciences Enterprises, established in 2015 to commercialise the University's intellectual properties, has created a wealth of spin out companies, at a rate of circa 20-30 annually. This growing portfolio of science and technology firms is now home to small and large-scale businesses. A younger workforce has encouraged a focus on science and an inherent demand for laboratory space in the city centre, and schemes at the former Beaver House, Botley retail Park, the Clarendon Centre and Debenhams show an interest in creating an urban labs offer which will be game-changing for the city. Investors, including The Crown Estate, BGO and UBS, are behind this new initiative. Equally, the diversification into the Technology sector has led to the development of Hybrid tech box space in several established innovation schemes. Kidlington Tech Park, Harwell is delivering stock suited to advanced engineering and further afield at Bicester Yasa Mercedes have pre-let c.80,000 sq ft at Bicester Motion, and with Siemens Tech Centre due to open with 24 months in Bicester. This gives this oxford centre a new identity and strong focus with Bicester Arc one of the only sites with power capacity to match occupier demand from this sub-sector.

The pandemic has catalysed the Oxford market, from a relatively parochial one to a city attracting a range of international and UK businesses across diverse sectors. Due to the increase in biotech and physical sciences and the rise in tech and other digital sciences, more demand has concentrated in the out-of-town schemes where available ability and immediate take-up or pre-let interest are accommodated. On average, Oxford has recorded around 315,000 sq ft of take-up annually (over the last 5 years). However, stronger activity and sizeable deals in 2023 propelled the overall take-up to 62% ahead of the longer-term trend. 2024 looks to be another strong year. In the first quarter, 283,000 sq ft has already leased.

Who is taking space?

Given its strong research and innovation platform, Oxford is particularly attractive to firms derived from the Pharmaceutical, Medical and Healthcare sectors. Over the past 5 years, this sector grouping accounts for 47% of take-up. In particular, Oxford is a hub for Biotech and Life Sciences companies, benefiting from the University's research output. The most notable recent transaction was Moderna agreeing terms on a 145,000 sq ft research innovation and technology hub at Brookfields Arc's Harwell science and research campus. The development will comprise two buildings, and a research, development, and manufacturing facility will be created to develop messenger RNA vaccines for respiratory diseases, pending regulatory assessment and licensing. Construction has started, and the facility is expected to be operational in 2025.

Technology firms additionally hold a strong interest in Oxford. The sector accounted for nearly a quarter of take-up over the past 5 years. Oxford attracts technology startups and innovative companies, particularly in fields like artificial intelligence, software development, cybersecurity, and advanced engineering. In its infancy but growing, Quantum computing is considered an avenue of growth supported by collaboration between academia, industry, and government.

What does future demand look like?

Research and development dominate the forecast of business growth in Oxford and, as such, potential real estate activity. At the time of writing, 432,000 sq ft of space requirements are active in the city, with 47% derived from Pharmaceutical, Medical and Healthcare and 20% from firms under the technology umbrella.

What factors will challenge growth?

Although supply levels have risen in Oxford, the pace of the rise has meant a drag on activity. Total availability at the end of Q1 2024 was 482,000 sq ft, equating to a vacancy rate of 7.3%. New space, though, represented only a fifth of this total.

Will pipeline supply grow?

As of Q1 2024, 790,900 sq ft of space was under construction, which is speculative. Most of this space will be completed in 2025, meaning vacancy levels will fall over the next 12 months. Most of the significant speculative schemes in the city are aimed at Oxford's burgeoning Life Science and Technology sectors. Projects include Trinity by Breakthrough with Tishman at Arc Oxford, which will offer 214,000 sq ft of best-in-class laboratory, office and amenity spaces, delivering in the second half of 2025 and Stanhope and Ontario Teachers PensionPlan Oxford North Project, where Phase 1 will be completed in 2025.

We forecast more balance between in and out-of-town pipeline; Harwell, Oxford Science Park, Oxford North, Begbroke, and Arc will all deliver stock, but this can be balanced with city centre supply with schemes such as Inventa and Fabrica on the Botley Road exploring the concept of an urban lab environment. Bridge Labs and the former Debenhams site will also be delivered within 2-5 years, further bolstering the city centre lab supply.

What will underpin longer-term growth?

Several significant components support the prediction of continued growth in Oxford.

- The National Quantum Strategy, published in March 2023, commits a further £2.5 billion to developing quantum technologies in the UK over the 10 years from 2024, aiming to generate at least an additional £1 billion of private investment into the programme. Oxford is at the forefront of supporting this growth through an established Quantum talent pool (200 researchers) currently linked to the University, alongside the recent opening of the National Quantum Computing Centre on the Harwell Campus. Consequently, the impact of quantum computing on the economy in Oxford, UK, is expected to be profound, catalysing innovation, driving industry transformation, and positioning the region as a global leader in quantum technology research and development. By leveraging its strengths in research, innovation, and collaboration, Oxford can capitalise on the opportunities presented by quantum computing to create a vibrant and sustainable economy for the future.
- A commercialisation footprint is in place through the presence of Oxford Science Enterprises. This helped support a science-business ecosystem with Oxford University, increasing investment in university spinouts from an average of £125m per year (2011-2015) to £1.4bn in 2021.
- The National Infrastructure Commission will boost the economic contribution of the Cambridge-Milton Keynes-Oxford corridor by more than £160 billion a year by adding an East-West Rail connecting Cambridge and Oxford.

Drivers

Network: The presence of renowned academic institutions, research centres, and business networks provides ample opportunities for collaboration, networking, and knowledge exchange.

Growth platform: Oxford offers various business support services, including accelerators, mentoring programs, and business networks, helping startups and established businesses to thrive. The latest analysis from Data City indicates that there are 186 growth companies in Oxford.

Connectivity: Oxford benefits from its geographic position and a well-developed public transportation network connecting key areas such as the city centre, railway station, Oxford University campuses, and residential neighbourhoods. The Cowley Branch line still requires funding, but the case for its development (at a cost in excess of £100m) will be firmed up by the end of the year and will then require funding. The East-West Railway will extend to Bletchley/MK by the end of 2025, opening up access to a pool of talent who are finding affordable housing along this line and yet access Oxford. After that, the east-west line will connect to Cambridge, which connects Oxford directly to Cambridge.

Headwinds

Housing affordability: Oxford faces a significant housing affordability crisis, with property prices well above the national average. Judged by the official ONS affordability ratio, the average house price is 12x earnings. This is one of the highest in the South East region.

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Reading

TAKE UP
Sq ft rolling 12 months to 31st March 2024

134% 509,800

VACANCY RATE
Q1 24

12.7%

PRIME RENT
£ per sq ft

17% £56.00

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

27 months

LEASE EXPIRIES
Sq ft 2024-2028

2,730,000

UNDER CONSTRUCTION
(SPEC)

276,500

RENT PROJECTION
by 2025

£56.00

Please refer to the back page for methodology.

Why Reading?

A strong education foundation services established and emerging knowledge-intensive clusters. Reading was ranked 6th in terms of the percentage of the working-age population with high-level qualifications, according to the Centre for Cities. Along with existing talent, the research-intensive University of Reading is recognised for its expertise in climate and food science, business, and agriculture, providing occupiers with a consistent stream of future talent. Significantly, affordability means that students are choosing to stay in Reading after graduation.

Alongside an established Technology cluster, interest from Pharmaceutical, Healthcare and MedTech companies in 2023 has reinforced Reading's position as an important cluster for these sectors.

What is the shape of the office market?

2023 represented the highest level of annual take-up in Reading since 2018, finalising at 445,199 sq ft. This reflected a 64% year-on-year increase and is 42% above the 5 year annual average. In the first quarter of 2024, momentum has continued, with take-up reaching 73,746 sq ft, 8% above the 5-year Q1 average.

Activity in the out-of-town market has dominated in recent years at nearly double the amount of take-up in the town centre. However, the first quarter of 2024 has bucked this trend, with town centre activity representing 75% of take-up and recording the two largest lettings of the year so far. Further larger transactions in the town centre are expected, with four deals between 15,000 – 40,000 sq ft currently under offer, restoring the historical balance of circa 50:50 between the sub-markets.

A flight to quality is notable in Reading, with 93% of occupier take-up being for new or grade A space over the past 5 years. In Q1 2024, this increased to 100%, reflecting the flight to quality and also the high quality of office stock in the Reading market.

Who is taking space?

The TMT and Pharmaceutical, Medical and Healthcare sectors underpin demand for office space in Reading. TMT occupiers have accounted for 40% of total take-up in Reading over the past 5 years. However, in 2023, the Pharmaceutical, Medical and Healthcare sectors dominated market activity, accounting for 43% of take-up. This was supported by the largest transaction across all the South East markets, with the acquisition at Thames Valley Park by pharmaceutical manufacturing firm Lonza, the former British Gas HQ site.

In Q1 2024, Financial and Business Services companies dominated take-up, with the proportion of office space leased by the sector nearly 2.5 times above the 5-year average. The sector accounted for almost half of the office space leased in Q1 2024, with EY and Crowe Clark Whitehill now known as Crowe UK. Whitehill securing space in Reading's town centre.

What does future demand look like?

The Technology sector dominates the forecast of business growth in Reading and, as such, potential real estate activity. At the time of writing, 426,000 sq ft of space requirements are active in the city, with 70% derived from TMT firms.

What factors will challenge growth?

Hindering the Reading office market is the uncertainty around the delivery of the next wave of office development that will provide the quality of space to align with occupier preference for the best accommodation. Although new and grade A availability is 16% above the 10-year average, the weight of demand targetting this market area means that supply is tight.

Is office supply to grow?

There is a minimal development pipeline, with just one building currently under construction. Building One, part of the Station Hill development will provide 276,470 sq ft of much-needed office space in Reading's town centre and is expected to be completed by the end of this year. Of this, 110,000 sq ft is currently under offer, intensifying the supply squeeze on the best-quality office stock, which will support rental growth in the town centre market.

What will underpin longer-term growth?

The £750m Station Hill development and other mixed-used developments, such as the £250m regeneration of Minster Quarter demonstrate investor confidence in Reading as a location. Mixed-use projects like these will attract occupiers who are increasingly focused on amenities outside the office building, not just within.

Occupier demand is strong with 73% being expansion-led and 55% involving TMT or Pharmaceutical, Healthcare and MedTech occupiers. Several large corporates are already based in Reading, demonstrating confidence in the market and attracting companies to cluster around them. They include Oracle, PepsiCo, HP, Cisco, Thales, Hutchinson 3G and Microsoft.

Reading offers highly connected, amenity-rich office space and a highly qualified talent pool for occupiers. For investors and developers, it provides an opportunity for attractive returns via rental growth and the demand for additional office stock.

Drivers

Connectivity and accessibility: London can be reached within 22 minutes via public transport – the town centre and out-of-town markets both have rail stations.

Talent pool: The University provides a highly educated workforce for knowledge-intensive sectors that cluster in Reading.

Headwinds

Town centre development: just one building under construction (Building One, Station Hill).

Land use: residential developments favoured over commercial.

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South West London

TAKE UP
Sq ft rolling 12 months to 31st March 2024

71% 109,400

VACANCY RATE
Q1 24

5.3%

PRIME RENT
£ per sq ft

0% £57.50

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

24 months

LEASE EXPIRIES
Sq ft 2024-2028

625,000

UNDER CONSTRUCTION
(SPEC)

360,500

RENT PROJECTION
by 2025

£60.00

Please refer to the back page for methodology.

Why South West London?

South West London benefits from diverse connectivity to multiple residential and commercial markets. Richmond and Wimbledon are on the District line, and Richmond and Clapham can by reached via the London overground. Outside of London, the Surrey commuter towns of Feltham, Woking and Guildford can all be reached via London Waterloo, providing occupiers with a large pool of potential workers. By road, Heathrow Airport can be accessed from Richmond in just 16 minutes, providing global reach to clients and other markets. The M3 and surrounding A roads provide quick access to other key South East office markets and commuter towns, including the Surrey powerhouses of Guildford and Woking.

The lifestyle offer is a key draw to the market. Alongside its proximity to Central London, the area benefits from abundant green space that is more akin to suburban living, providing the best of both worlds. The recent repositioning of Centre Court, Wimbledon, to the mixed-use Wimbledon Quarter signifies investor confidence in the market. It is an example of the shift toward multi-sector developments that provide a wide range of amenities suited to both occupiers and residents. Each submarket has its offering, ranging from the UNESCO World Heritage site of Kew Gardens in Richmond to a wealth of bars and restaurants in the vibrant neighbourhood of Clapham. As such, the lifestyle offered attracts a diverse working-age population, from senior executives in Wimbledon and Richmond to young professionals in Clapham and the surrounding areas. This, in turn, gives occupiers a healthy pool of potential talent.

What is the shape of the office market?

The South West London office market comprises three core markets: Wimbledon, Richmond and Putney. However, Clapham, New Malden, Twickenham, and Kingston are increasingly registering activity.

2023 saw modest occupier demand. Total take-up for the year reached 117,986 sq ft, 20% above the 10-year annual average, but reflecting a 67% fall year-on-year.

Common to all key markets in the South East, there is a marked preference for best-quality space. Over the past 5 years, 86% of office space leased was new or grade A. In 2023, 20% of take-up was accounted for by the pre-let of 24,042 sq ft of brand-new wellness-focused space at Akoya's Parklife, Putney.

Who is taking space?

Activity in the South West London office market is underpinned by Financial and Business Services, and TMT sectors, accounting for 44% and 22% of space acquired over the past 5 years, respectively. Last year, the sectors represented over 75% of all lettings, with the 24,042 sq ft pre-let to Winch Design at Parklife bolstering activity. Other notable deals included the letting of 15,433 sq ft at Wellington House in Wimbledon to law firm Capsticks and Hays Recruitment Specialists taking 9,673 sq ft of space at Apex Tower in New Malden.

What does future demand look like?

At the time of writing, 242,000 sq ft of requirements were active in the market. Of this, the Financial and Business Services sector accounts for 74%.

Further ahead, 625,000 sq ft of space is subject to a lease event over the next 4 years.

What factors will challenge growth?

Low supply is restricting the South West London office market. There is currently 340,608 sq ft of available new and grade A stock. New and grade A vacancy sits at 3.9%, reflecting the supply shortage. Notably, only one building, APEX Tower in New Malden, could accommodate a significant requirement of 50,000 sq ft or above at the time of writing. A combination of low land availability and competition from alternative use classes is also challenging supply. Historically, there has been a lack of large anchor tenants based in the market. The 282,000 sq ft pure pre-let of the Honey Building in Kingston to Unilever signifies a larger corporate occupier interest in the market.

Is office supply to grow?

Despite the limited availability of best-quality space across the submarkets, 360,000 sq ft of speculative space will be delivered later in 2024. This will ease much of the supply pressure in South West London, providing both newly built and refurbished space capable of retaining current occupiers and attracting new ones. Regarding larger occupiers, the delivery of 90,000 sq ft at Arding & Hobbs in Clapham Junction and 45,000 sq ft at Explore Richmond is hoped to encourage further large corporates to consider South West London as a viable location to base. Notably, both schemes are comprehensive refurbishments, partly due to the lack of available land and the shifting developer and investor preference towards refurbishment to minimise the embodied carbon emissions from development.

What will underpin longer-term growth?

The shape that the South West London office market will take in the coming years will depend mainly on the fate of Crossrail 2. If the scheme goes ahead, it will connect Clapham Junction at its core and Wimbledon and New Malden via its regional branches to the rest of London and parts of the South East. The successor to the Elizabeth line is estimated to provide 200,000 new homes, 60,000 new jobs, and broader regeneration of London and the South East. With timings unknown, there is a degree of uncertainty regarding connectivity in South West London and the availability of land and future public investment into the affected areas. Regardless, there is great optimism surrounding the South West London office market.

Drivers

Strong rental returns: Richmond and Wimbledon achieved the second and third highest rents, excluding Oxford and Cambridge.

Connectivity: Strong current connectivity to core markets. Crossrail 2 would significantly improve connectivity to supporting markets.

Headwinds

Living costs: elevated housing costs associated with living in affluent towns within Greater London.

Presence of large corporates: supply constraints mean a limited current number of large occupiers.

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Watford

TAKE UP
Sq ft rolling 12 months to 31st March 2024

59% 130,600

VACANCY RATE
Q1 24

9.1%

PRIME RENT
£ per sq ft

8% £43.00

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

New	A	B
42,600	163,600	90,300

TYPICAL RENT FREE PERIOD
As at 31st March 2024

27 months

LEASE EXPIRIES
Sq ft 2024-2028

714,000

UNDER CONSTRUCTION
(SPEC)

124,800

RENT PROJECTION
by 2025

£45.50

Please refer to the back page for methodology.

Why Watford?
Watford has experienced recent regeneration and development. The area's connectivity and amenities are attractive to companies looking to establish or expand a presence near London. The introduction of further new developments, such as a mixed-use scheme on Clarendon Road by Regal London, suggests strong confidence in the market and is aimed at meeting the growing demand for high-quality office space. Rents in Watford are relatively affordable compared to other South East office markets, which has been a major attraction for businesses. Watford hosts a range of prominent office occupiers, reflecting its status as a key business hub. Notable companies with a significant presence include TK Maxx, which has established its new European headquarters there. Other significant tenants include KPMG and PwC, which underline Watford's appeal to professional services firms. Additionally, the area has attracted tech companies like ACI and other prominent names like Ralph Lauren, FIS Global, Wunderman Thompson Commerce, Ricoh, and BioRad.

What is the shape of the office market?
Annual take-up in 2023 reached just short of 120,000 sq ft, almost double the total of 2022. Notably, three transactions over 20,000 sq ft were completed during the year, the highest number since 2018. The first quarter of 2024 has seen momentum sustained, with Epson UK, part of the Japanese multinational global technology company Epson Group, one of the world's largest manufacturers of printers and imaging technologies, taking 30,530 sq ft across the third and fourth floors of The Clarendon Works. The Regal London scheme will be completed in the second half of 2024.

Who is taking space?
Over the past 5 years, occupiers from Financial and Business Services have accounted for 31% of take-up. Notable deals from this sector include PWC consolidating its teams from Uxbridge and St Albans to a new 28,500 sq ft base at 40 Clarendon Road. Over 600 employees are based in the Watford office, which forms part of PwC's firmwide strategy to deliver a broader range of services outside London. In Q4 2023, Regal London leased 16,795 sq ft to flexible office provider YoooServ at Clarendon Works. In addition to providing flexible workspace on the ground and first floors of the 140,774 sq ft building, YooServ will also manage all the amenity space and services throughout the building. Retail firms also have a strong presence in Watford, accounting for 28% of take-up over the past 5 years. Notable deals include Signet Jewellers taking 20,000 sq ft at 1 Croxley Park and, most recently, Poetic Gem taking 29,000 sq ft at 54 Clarendon Road. However, the largest deal in recent years was when construction firm Skanska moved its headquarters to Leavesden Park in 2021, taking 64,000 sq ft.

What does future demand look like?

From the immediate numbers, the scale of potential demand looks positive. Knight Frank is tracking 137,000 sq ft of active requirements in the Watford market. Further analysis shows that 714,000 sq ft of space is subject to a lease event over the next 4 years.

More fundamentally, office-based employment drives future job creation in Watford. The latest forecasts indicate that office-based employment will rise 21% over the next ten years. Professional services, Science and Technology are the principal growth areas, increasing by 26%. Administrative roles are also forecast to rise by 23%. The Watford local plan recognises this. The South West Herts Economic Study Update has identified a need for 400,000 sq ft of office floor space.

What is challenging the market?

Although supply levels have risen in Watford since Covid, recent strong letting activity has meant availability has begun to decline. When writing, 296,000 sq ft was available to let, equating to a vacancy rate of 9.1%. Notably, 30% of this total is grade B space, with the new space down to just 42,000 sq ft, the lowest level for 3 years.

A growing gap is developing between secondary and prime office space in Watford and many Hertfordshire markets. Occupiers based in secondary locations or office space are settled, paying rents closer to £30.00 per sq ft. With prime rents rising by a further 8% over the past 12 months to £43.00 per sq ft, improvement in workspaces is coming at a significant cost.

Additionally, despite the recent uplift in prime rents, it has not yet reached a high enough level to justify the current build costs for new projects. Pipeline projects that are not already under construction have, in some cases, been delayed. This means supply is low and likely to remain so for at least the short term.

Is office supply to grow?

As of Q1 2024, 124,800 sq ft of space was under construction. This space is scheduled to be completed in 2024, with no developments underway with delivery dates beyond this.

What will underpin longer-term growth?

Watford has several significant regeneration initiatives to revitalise the town and enhance its economic and environmental sustainability.

One major regeneration initiative is the Watford Riverwell project. This £450 million joint venture with Kier Group involves transforming 70 acres of land into residential, commercial, and recreational spaces. The project focuses on creating 750 residential units, office spaces, and a hotel while addressing environmental challenges and promoting ecological restoration.

The town is involved in a £1.6 billion regeneration masterplan for Watford Junction, which includes developing nearly 3,000 homes, commercial spaces, shops, and community facilities. This plan represents a comprehensive approach to urban development in Watford.

Watford's Town Hall Quarter is undergoing a £200 million regeneration project to revitalise the area around the historic Town Hall and Colosseum. The project encompasses new homes, public spaces, and community facilities, contributing to Watford's urban revitalisation.

Drivers

Location: Watford's proximity to London and excellent transport links make it attractive for businesses seeking accessibility and connectivity. It's situated close to the M1 and M25 motorways, offering easy access to other parts of the UK, while the fast train services to London provide quick commutes for employees and business partners.

Regeneration: Watford has a supportive business environment with robust local government initiatives to foster business growth and development. The council's regeneration efforts and supportive business policies create a conducive environment for startups and established businesses.

Headwinds

Close, but not too close: Due to its proximity to London, Watford experiences high property and operating costs. This and intense competition from other business hubs can make it challenging for smaller businesses.

Viability: Rental values haven't risen enough to support some new developments.

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West London

TAKE UP
Sq ft rolling 12 months to 31st March 2024

5% 278,600

VACANCY RATE
Q1 24

14.7%

PRIME RENT
£ per sq ft

0% £62.00

AVAILABILITY BY GRADE
Sq ft rolling 12 months to 31st March 2024

TYPICAL RENT FREE PERIOD
As at 31st March 2024

27 months

LEASE EXPIRIES
Sq ft 2024–2028

2,800,000

UNDER CONSTRUCTION
(SPEC)

680,500

RENT PROJECTION
by 2025

£63.00

Please refer to the back page for methodology.

Why West London
A key strength of West London is the lifestyle offer, which provides a wealth of amenities. Westfield, for example, has a wide range of offerings, including over 400 shops, 80 food and beverage establishments, and various leisure facilities from which workers and locals can benefit. Similarly, Chiswick High Road and Ealing Broadway provide amenities, with the mixed-use developments of Filmworks and Dickens Yard demonstrating investor and developer confidence in the market.

Connectivity in West London is superior to other South East markets. The markets are serviced by multiple London underground lines and bus routes and are accessible via the M4 corridor. Most recently, the opening of the Elizabeth Line has made Ealing far more accessible, whilst the London Overground links Kensington Olympia and Shepherds Bush to South London. Additionally, with much of the office stock providing end-of-trip facilities, West London is easily accessible by bike to those in the neighbouring residential suburbs and Central London.

What is the shape of the office market?
The four principal submarkets comprising the West London office market are Hammersmith, White City, Chiswick, and Ealing. Each market has a unique offering; however, occupiers consider all four before focusing searches on just one or two submarkets.

2023 proved challenging for the West London office market. Total take-up finalised 176,747 sq ft, reflecting a fall of 36% year-on-year and is just above 50% of the 5-year annual average. However, 2024 has seen a promising start, with take-up in the first quarter reaching 129,928 sq ft. This is 54% above the 5-year quarterly average and the highest quarterly take-up for 2 years.

The increasing occupier preference for the best quality space is evident in West London. Over the past 5 years, 93% of occupier activity involved new or grade A space. So far this year, the figure is 95%, owing mainly to the pre-let of 72,192 sq ft of brand-new space at One Olympia to serviced office provider IWG/Spaces.

There is a clear preference for being located near amenities, transport connectivity, and Central London. Across the last 5 years, 80% of take-up has been within a market core, owing to the unrivalled amenity offering and connectivity it provides.

Who is taking space?
Occupier activity in West London is underpinned by three dominant sectors: TMT, Pharmaceutical and Healthcare, and Retail.

Retailers account for the highest amount of take-up since 2019, at 29%. Most activity has centred on Hammersmith and White City, with the most significant deal being 120,217 sq ft at Gateway Central, White City, to L'Oreal.

Pharmaceutical and Healthcare have been responsible for a fifth of all deals over the last 5 years. West London has been established as a hub for Life Sciences due to its proximity to the Imperial College London White City Campus and the nearby Hammersmith and Charing Cross hospitals. Quell Therapeutics and Engitix have expanded in the market.

Across all submarkets, TMT occupiers remain active, representing 18% of take-up over the last 5 years. Deals include the letting of 125,157 sq ft of grade A space at the BBC Broadcast Centre to ITV in 2021, the largest transaction in West London since Q3 2018.

What does future demand look like?

At the time of writing, there was 790,000 sq ft of named demand in the West London office market, 57% derived from the TMT sector.

Significantly, 2.8m sq ft of space is subject to a lease event before the end of 2028.

What factors will challenge growth?

West London is experiencing a relative oversupply of new and grade A office space. Availability stands at a historic high of 2.3m sq ft, a year-on-year increase of 47% and is 65% above the 5-year average. As a result, rents have been largely flat. Even so, West London has a strong pipeline of future demand, with current high-profile suitors including Disney, McDermott and Imperial College.

Is office supply to grow?

With 680,500 sq ft of development underway, there will be a further increase in availability in the near term.

What will underpin longer-term growth?

With the occupier's focus on the best quality, well-located and amenity-rich offices, the West London market looks like a favourable occupier choice. In particular, White City Place and One Wood Crescent in White City and Chiswick Park can offer a healthy supply of high-quality buildings with large floorplates of 20,000 sq ft and above. This means West London caters to future and current occupiers needing more extensive space and those with upcoming lease events. Other competing markets cannot offer such space due to limited availability and inflated build costs, making construction unviable.

Drivers

Amenity: West London has an unmatched lifestyle offering and connectivity to Central London and the rest of the UK.

Education: Imperial College White City campus and surrounding universities provide a talent pool and collaboration with local businesses.

Headwinds

Oversupply: High availability is limiting rental growth.

Competition: Proximity to Central London.

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Technical Note

- Knight Frank defines the M4 market as extending from Hammersmith, west to Newbury, incorporating Uxbridge and High Wycombe to the north and Staines and Bracknell to the south. Reading is also included.
- The M3 market incorporates the main South West London boroughs and encompasses Leatherhead, Guildford and Basingstoke extending north to the M4 boundary described above. Farnborough and Camberley are also included.
- The figures in this report relate to the availability of built, up-and-ready office/B1 accommodation within the M25 market. Vacant premises and leased space which is being actively marketed are included.
- All floorspace figures are given on a net internal area basis (as defined by the RICS).
- A minimum 10,000 sq ft (net) cut-off has been employed throughout. Major and minor refurbishment have been treated as new and second-hand respectively. Data is presented on a centre and quadrant basis. Classification by centre relates to the locational details contained within the marketing material for available properties. Classification in this manner is clearly somewhat arbitrary.
- Vacancy rate data is based on a total M25 stock measure of 121m sq ft (net), an M4 market stock of 66m sq ft (net) and an M3 market stock of 39m sq ft (net). Please note that a revision to total market office stock figures was applied in Q1 2017 to reflect 'change of use' permitted through the Town and Country Planning Order 2015.
- Second-hand floorspace has been sub-divided into A and B grade accommodation, reflecting high and low quality respectively. Whilst subjective, this categorisation is based on an assessment of each property's age, specification, location and overall attractiveness.
- The South East is defined as the market area shown in the map on pages 6/7. The market statistics quoted as 'South East' or 'South East Study Area' are inclusive of Cambridge, Oxford and Brighton.
- Pre-let = The letting of proposed schemes not yet under construction and those let during the construction process.
- All data presented is correct as at 31st March 2024.
- Take-up reflects a rolling 12-month total, with the percentage change being a comparison to the previous 12-month rolling total.
- The development statistics reflect the speculative element of schemes currently under construction.