Central London Retail Dashboard

Knight Frank

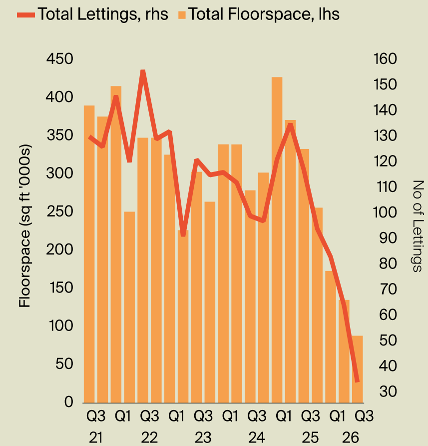
Q2 2026 | A concise quarterly update on key data and current market sentiment.

Key Takeaways

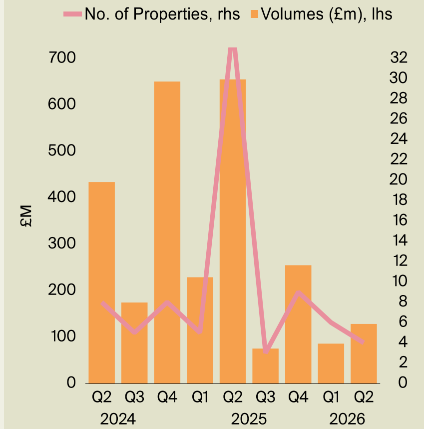
- **A whole host of moving parts – very few pulling in the same direction.** An ongoing disconnect between footfall and spend, a subdued occupational market yet strong retail property performance metrics.
- **Footfall still not converting into spend.** Footfall (Apr. +3.6%, May +0.6%, Jun. -2.2%) was inconsistent with the far more important metric of spending (Apr. -0.4%, May +1.7%, Jun. -3.0%). Central London spending patterns remain out of kilter with national retail sales trends.
- **Vacancy rates are declining and rents are either stable or on an upwards trajectory.** Central London retail property continues to outperform retail markets elsewhere in the country.

Prime Zone A Rents
(Knight Frank) Quarterly

Lettings
(CoStar, Knight Frank) Quarterly



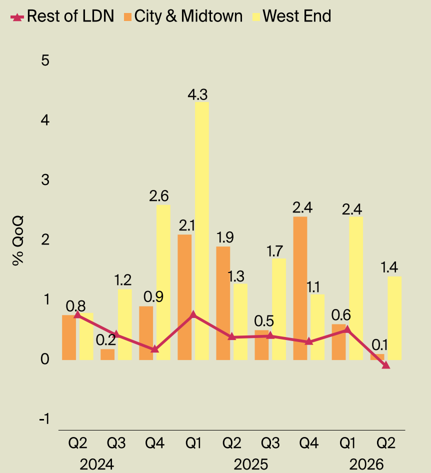
Investment Volumes
(RCA) Quarterly



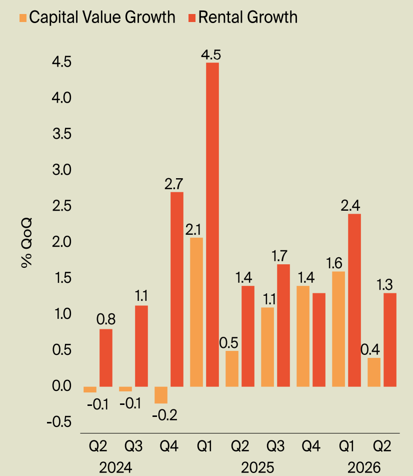
> Domestic visitors are continuing to shun the West End, with homegrown spend down (or flat at best) every month since Jan. 2025. Footfall from international visitors is there, but spend remains patchy. Monthly West End spend has been down by an average of -1.2% in the first six months of the year – compare this with average monthly national retail sales growth of +3.5% over the same period.

RESEARCH VIEW
Stephen Springham
Partner, Head of Retail Insight

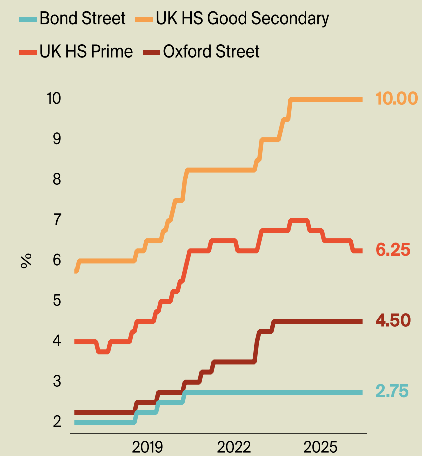
Rental Growth by Sub-market
(MSCI, Knight Frank) Quarterly



Rental & Capital Value Growth
(MSCI, Knight Frank) Central London



Prime Yields
(Knight Frank) Central London vs. UK



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Insight Commentary

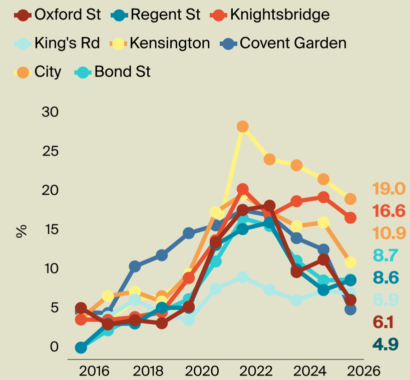
Yet another quarter of three contrasting months – none particularly good. In **April**, there was a surge in international visitors (footfall +31.5%), but this only resulted in a marginal increase in spend (+1.0%). A similar surge in overseas visitors in **May** (footfall +31.5%), but a healthier uplift in spend (+12.7%). In **June**, a slight deceleration in overseas visitor numbers (+15.4%), but still a positive increase in spend (+1.4%). Contrast these swings with consistently weak figures from domestic visitors in terms of both footfall (-0.8%, -2.6%, -5.4%) and spend (-1.9%, -6.0%, -6.2%).

A relatively subdued occupier market, but a flurry of F&B openings. CoStar lists 34 new retail leases signed in Q2 for Central London (Westminster and the City), totalling 88,000 sq ft of space. Even allowing for some degree of reporting time lag, both metrics were significantly below the 5-year quarterly averages (115 and 311,000 sq ft) Shaftesbury Capital has latterly proved particularly active in securing new F&B tenants to its Central London estates, signing five new brands to Covent Garden (Sourdough Sophia, Cassette, Soft Serve Society, OAKBERRY Acai, Carmy's) and three to Chinatown (Heytea, Arome Bakery, Kawan).

Strong property metrics. Standard Shops in Central London witnessed rental growth of +1.3% in Q2, with capital values increasing QoQ by +0.4%. This took the rolling annualised figures to +6.9% and +4.6% respectively. Rental growth in the West End (+1.4%) significantly outstripped City & Midtown (+0.1%). In parallel with this, prime zone A rents on Oxford Street are now at £900/sq ft for the first time since mid-2019.

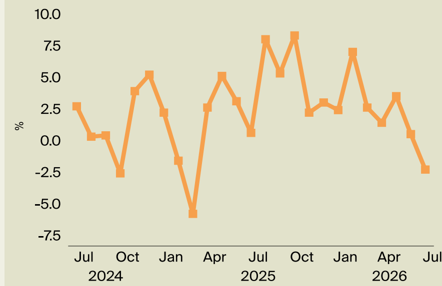
Vacancy

(PMA, Knight Frank) Unit %



West End Footfall

(New West End Company) YoY % change



	Footfall (YoY % change)
April	+3.6% ▲
May	+0.6% ▲
June	-2.2% ▼

▲Indicates increase / decrease versus previous month

Key lettings

(CoStar, Knight Frank)

Location	Unit Size (sq ft)	Tenant
57 Carnaby Street	1,428	Eme Studios
116 - 120 Shaftesbury Avenue	2,600	HEYTEA
100 George Street	5,798	Soraya
1 - 5 Berwick Street	2,528	Saltwater
90 - 104 Berwick Street	1,205	Distrikt
1 – 2 Rathbone Place	2,974	Jollibee
6 Conduit Street	1,362	Dubarry of Ireland

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