London Office Market Report

Q2 2026

Latest insights on the state of the London office market

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Executive Summary

Key Themes

1.

Leasing volumes bounced back after a subdued Q1, driven by increased activity in non-core submarkets.

2.

Near-term demand remains robust, with 3.7m sq ft under offer and more than 14m sq ft of active requirements.

3.

Availability of best-in-class space continues to fall across London, providing the impetus for higher rents.

4.

Investment activity saw a marginal uptick over the quarter, whilst renewed interest rate volatility impacts sentiment.

VOLATILITY BECOMES THE NORM

Geopolitical tensions continue to weigh heavily on growth prospects for the global economy. A reignited conflict in the Middle East, and political change across major economies continue to influence energy markets, supply chains, trade policy and regulation. For global businesses, the challenge is no longer simply managing the economic cycle but navigating a more fragmented and less predictable operating environment.

Despite this backdrop, fears of a sharp slowdown have not materialised. Although, labour markets have weakened, corporate balance sheets are generally healthy, and financial conditions have not deteriorated materially. Growth expectations have moderated, but the risk of a severe downturn has diminished. The prevailing challenge is therefore slower growth and reduced visibility rather than outright contraction.

For occupiers, this creates a more complex decision-making framework. Elevated financing costs, ongoing cost inflation, changing workplace requirements and the accelerating adoption of artificial intelligence are forcing real estate decisions to be assessed through a broader strategic lens. Greater emphasis is being placed on operational efficiency, talent attraction and flexibility, meaning commitments are taking longer and scrutiny of location, quality and lease structure has intensified.

> "London's resilience is underpinned by the depth and diversity of its occupier base, its global talent pool, constrained prime supply and the enduring liquidity of its investment market."

Investors face a similarly nuanced landscape. Higher inflationary concerns have, for now, delayed expectations of interest rate cuts and mean the cost of capital remains meaningfully higher than much of the past decade. This continues to shape pricing, underwriting and portfolio strategy, with conviction increasingly concentrated on assets offering income security, clear occupational demand and long-term liquidity.

The most significant shift since Q1 is that volatility is no longer being viewed as a temporary disruption, but as a structural feature of the market. Rather than waiting for perfect clarity, occupiers and investors are increasingly focused on resilience, optionality and the ability to respond quickly as conditions evolve.

Against this backdrop, our central outlook remains one of adjustment rather than correction. Economic growth is likely to remain modest and further periods of volatility should be expected. The challenge for occupiers and investors is not navigating a crisis but operating successfully in a world where uncertainty has become the norm. In this environment, London's resilience is underpinned by the depth and diversity of its occupier base, its global talent pool, constrained prime supply and the enduring liquidity of its investment market, all of which continue to support long-term confidence even as near-term decision-making remains cautious.

LEASING ACTIVITY REBOUNDS

Take-up in Q2 reached 3.1m sq ft, up 23.8% from the previous quarter, and 11.1% above the long-term quarterly average. Once again, quality was in focus for occupiers, with new and refurbished take-up accounting for 69.6% of all leasing activity in Q2.

The strong leasing performance in Q2 is perhaps more impressive given the relative lack of large transactions. There was just one transaction of 100,000 sq ft or more signed in Q2 (Anthropic's 158,138 sq ft acquisition at 1 Triton Square, NW1), compared to four in the previous quarter. There was, however, a significant uptick in activity in the 60,000-100,000 sq ft bracket, which saw no activity in the first quarter but recorded four transactions totalling 336,372 sq ft.

Driven by a continued surge in AI demand across London, the TMT sector was the most active in Q2, accounting for 25.4% of all leasing activity. The traditional pillars of demand also remained active, with the financial sector accounting for a further 22.1% of Q2 take-up, followed by the professional services sector which accounted for an additional 21.0%. Key transactions in Q2, other than the Anthropic transaction at 1 Triton Square, NW1 include OpenAI's 89,975 sq ft pre-let at Jahn Court, N1 and

Natixis's 88,449 sq ft letting at Thames Court, EC4.

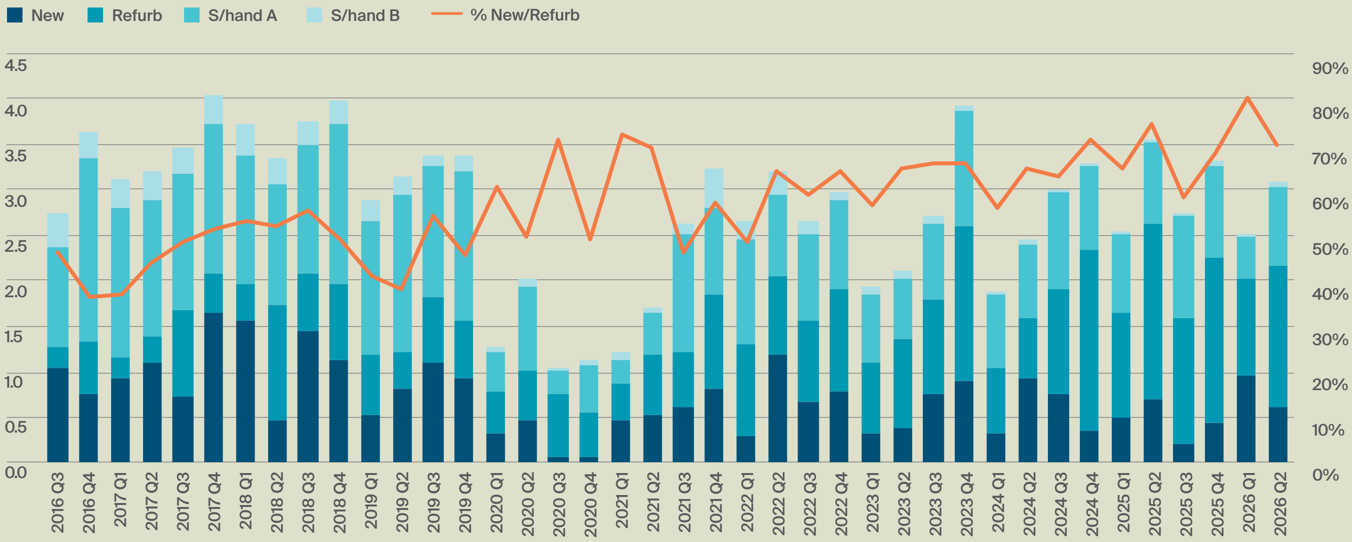
There was nuance at a submarket level, with half of all London submarkets seeing above-trend take-up in Q2. The City Core and West End Core fell short of their respective long-term averages, although space under offer should see this correct in the second half of the year. Kings Cross/Euston significantly outperformed due to AI occupier lettings, whilst other locations such as Clerkenwell/Farringdon, Fitzrovia and Canary Wharf all saw strong leasing volumes relative to long-term average.

Forward-looking metrics look positive, despite the renewed geopolitical uncertainty. At the end of Q2, there was 3.7m sq ft under offer across London, with evidence emerging that the figure will increase in the coming months. Active demand for requirements of 10,000 sq ft and above reached 14.3m sq ft, reflecting an 18.6% increase over the quarter and a 47.5% outperformance against the long-term trend. Whilst this figure is a record high, it is worth noting that 6.8m sq ft of this demand comes from occupiers with lease events in 2029 or beyond, suggesting that nearly half of active requirements are much longer-term.

AVAILABILITY FALLING

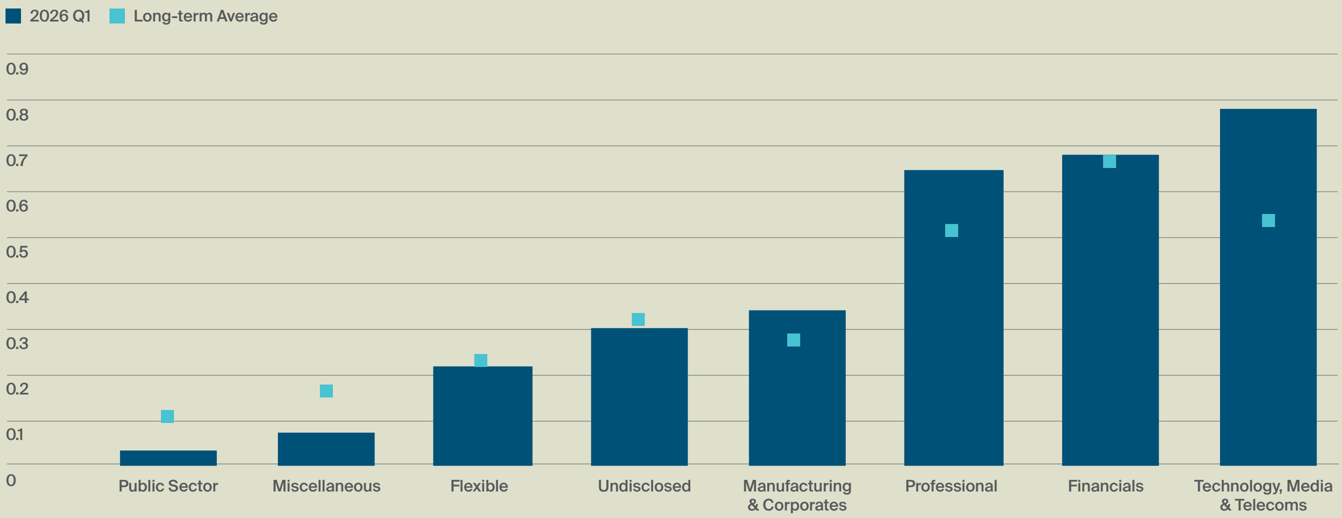
Total availability fell by 5.8% in Q2 to 21.6m sq ft, reflecting an overall vacancy rate of 8.0%, just above the long-term average of 7.7%. Vacancy for new space fell from 1.7% to 1.6%, which is 20bps below the long-term trend for London. There was a marginal increase in the vacancy of refurbished space, from 4.3% to 4.4%, which reflects an annual increase of 90bps. The availability of second-hand space contracted to 1.9%,

London – Take-up
m sq ft (LHS), % of take-up (RHS)



Source: Knight Frank Insight

London – Take-up by sector
m sq ft



Source: Knight Frank Insight

> "Vacancy for new space fell from 1.7% to 1.6%, which is 20bps below the long-term trend for London."

significantly below the long-term trend of 3.5%.

Availability of large prime floorplates remains constrained across London, with just 10 newly built floors of 20,000 sq ft available in the City and 24 in the West End market. Another supply dynamic of note, exacerbated by 40 Leadenhall and 8 Bishopsgate now being fully let, is that tower space has become increasingly scarce, especially for upper floors.

PIPELINE COMPLETIONS SLOW

The rate of development completions slowed by 23.5% in Q2 to 1.4m sq ft, although this remained 14.8% above the long-term quarterly average. Of the space completed, 31.2% was pre-let, meaning that 1.0m sq ft was delivered speculatively. The largest scheme

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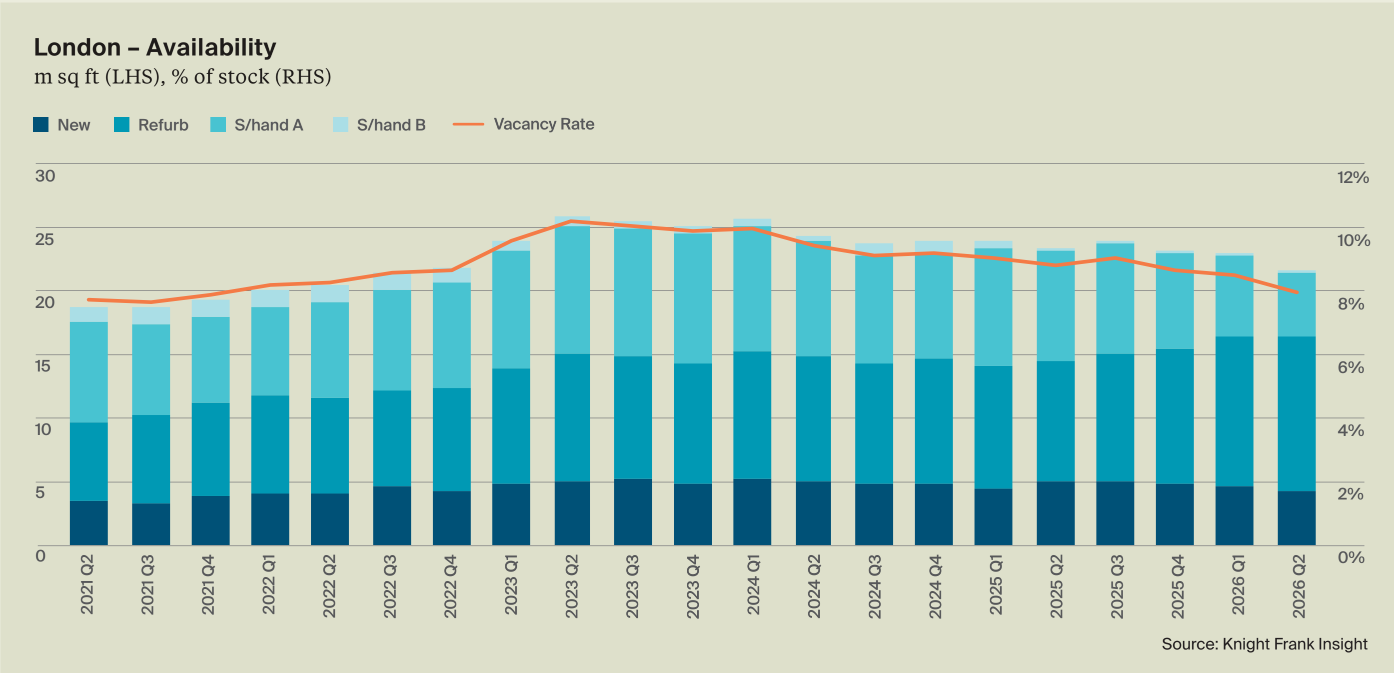
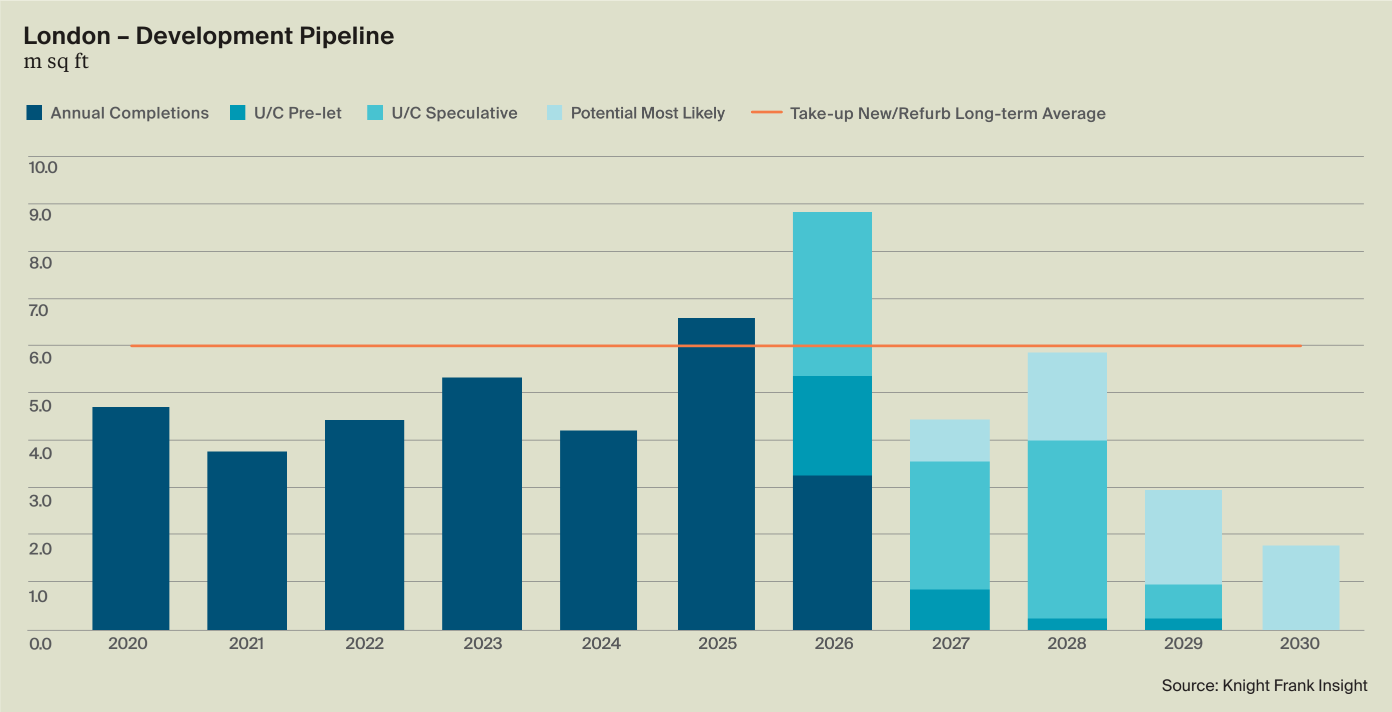




completed was One Olympia, W14 (532,717 sq ft).

Looking ahead, the under-construction development pipeline has contracted to 14.1m sq ft, reflecting a 9.2% decline over the last 12 months. Almost a quarter (24.5%) of the pipeline is pre-let, leaving 10.7m sq ft of speculative space under construction. On that basis, set against the long-term average take-up of new/refurbished space our projection is that London is undersupplied by 10.0m sq ft by the end of 2030.

PRIME RENTS RISING

At the conclusion of Q2, prime rents increased in three London submarkets: Bloomsbury, King's Cross/Euston and Canary Wharf. In Bloomsbury, prime rents increased from £82.50 to £87.50 per sq ft, a 6.1% increase over the quarter, in response to Cohere Technologies' acquisition at 100 New Oxford Street, WC1 – where a headline rent of £91.00 per sq ft was achieved. In King's Cross/Euston, deals from the AI duo of OpenAI and Anthropic contributed to an uplift of 2.6% from £95.00 to £97.50 per sq ft. In Canary Wharf, the return of leasing momentum has now translated into upward pressure on rents, jumping from £57.50 to £62.50 per sq ft during Q2. Elsewhere, prime rents were held at the previous level.

The outlook for prime rents continues to be supported by exceptionally tight availability in the City Core and West End Core, where prime vacancy remains effectively exhausted. Demand that cannot be accommodated within these markets is increasingly spilling over into adjacent submarkets, supporting rental tension in best-in-class assets across established fringe locations. Although occupiers are facing higher operational and business costs, these headwinds are being offset by structurally constrained supply and the accelerating obsolescence of secondary office stock. The resulting shortage of high-quality accommodation is expected to sustain upward pressure

> "At the conclusion of Q2, prime rents increased in three London submarkets: Bloomsbury, King's Cross/Euston and Canary Wharf."

on rents across London's most sought-after office locations.

INVESTMENT SLIGHTLY UP

Investment activity in Q2 reached just over £2.0bn, a 5.3% increase on the previous quarter. Whilst this was a positive development amidst the ongoing geopolitical uncertainty and the associated volatility of interest rates, volumes remained 30.2% below the long-term quarterly average.

Core assets attracted the highest investment volumes, accounting for 66.5% of Q2 turnover (£1.4bn). At first glance, this shows strength in the London market, but this figure is significantly skewed by Barclays' purchase of its Canary Wharf HQ, 1 Churchill Place, E14 – which traded at £750m – and is a landmark transaction for Canary Wharf. In terms of the number of transactions, core assets represented 19.4% of Q2 turnover, whilst core plus accounted for a further 27.8%. Value-add opportunities accounted for 52.8% of the number of transactions, but just 15.4% of volume.

> "Heading into the second half of 2026, there was £2.6bn under offer across London, remaining stable over the quarter and 11.1% above the long-term average, highlighting the resilience of investor demand"

At the end of Q2, £4.6bn of assets were available across London, up 3.4% over the quarter. Availability was broadly balanced across the risk-return spectrum, with 31.8% classified as core, 38.7% as core-plus and 29.6% as value-add/development.

Investment activity was dominated by £100m+ lot sizes, which accounted for 67.2% of turnover at just under £1.4bn, although this was skewed by the Barclays transaction. Despite the strong activity from these larger lot sizes, activity in this bracket remained 25.9% below the long-term trend.

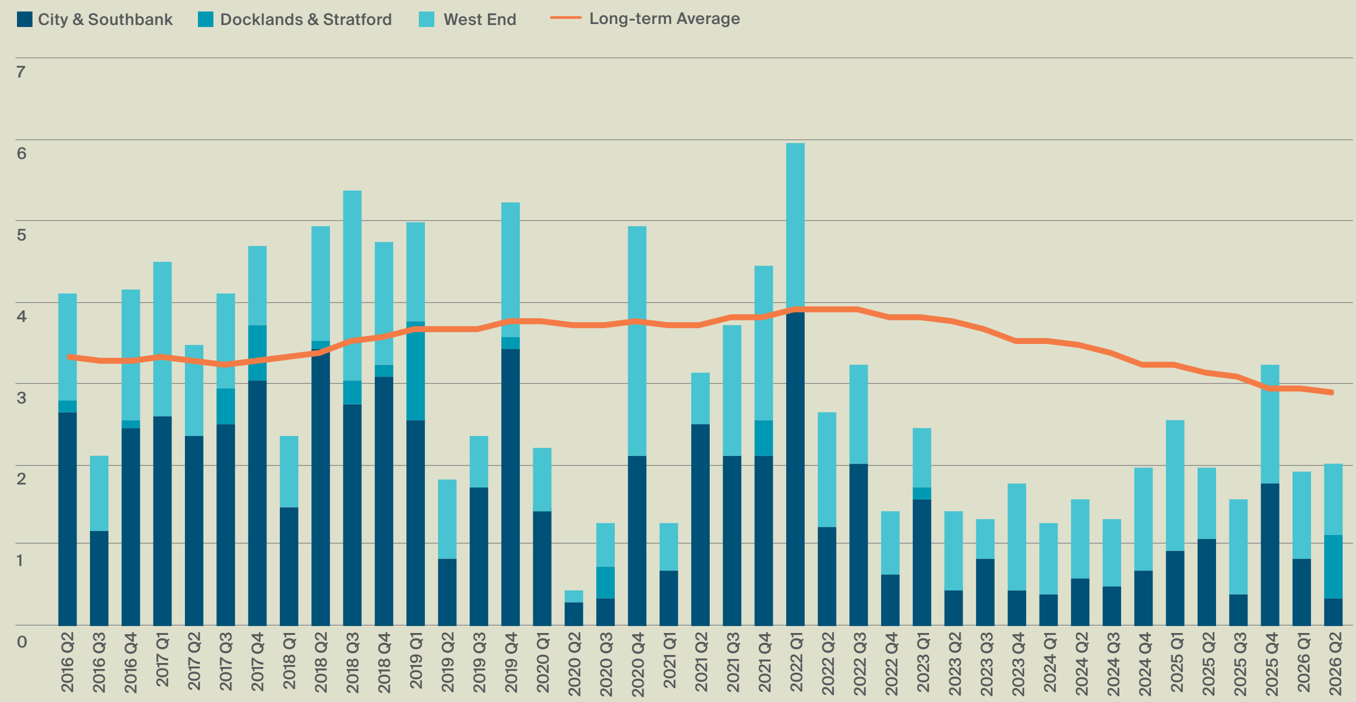
Heading into the second half of 2026, there was £2.6bn under offer across London, remaining stable over the quarter and 11.1% above the long-term average, highlighting the resilience of investor demand.

Amid heightened geopolitical uncertainty and fluctuating interest rate expectations, prime yields remained stable over the quarter, holding at 3.75% in the West End and 5.25% in the City & Southbank.

> "Investment activity was dominated by £100m+ lot sizes, which accounted for 67.2% of turnover at just under £1.4bn."

UNLOCK OUR INSIGHTS

London – Investment Volumes
£bn



Source: Knight Frank Insight

London office market

Performance dashboard Q2 2026

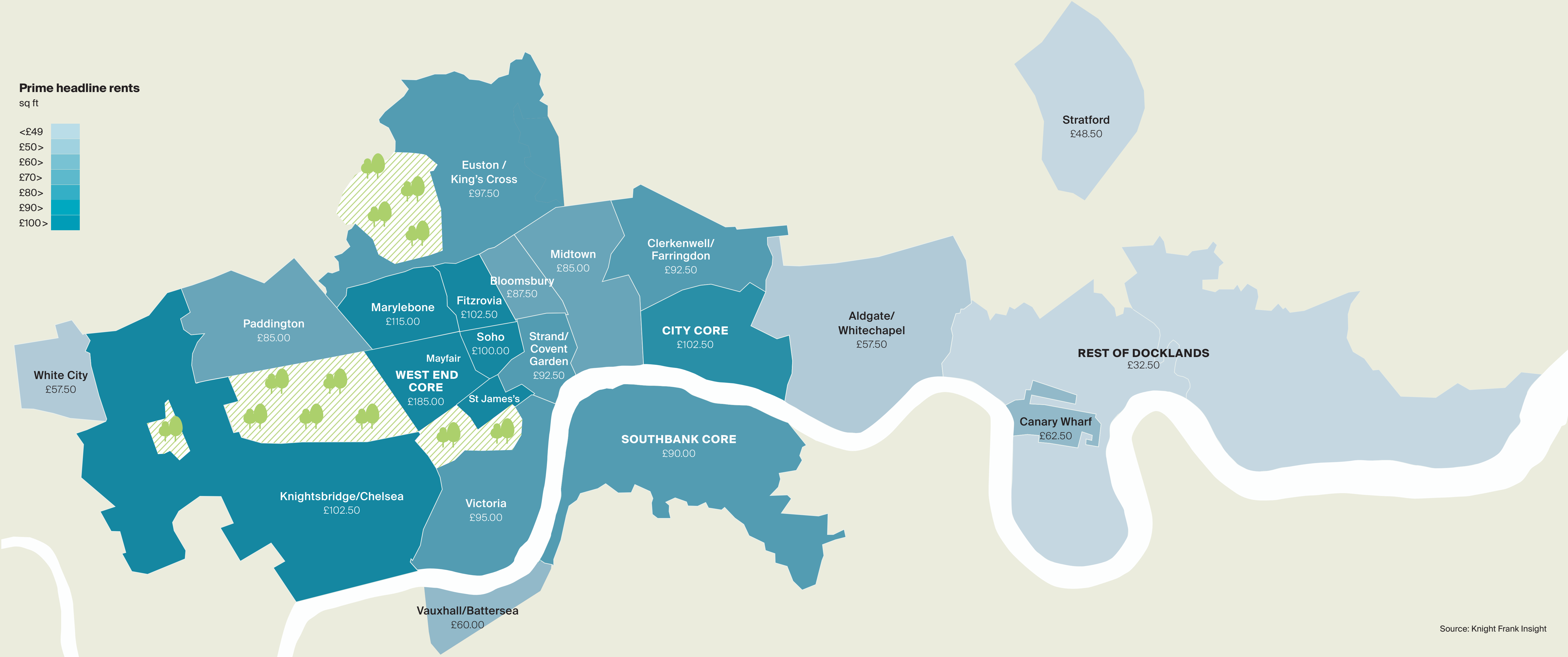
KEY PERFORMANCE INDICATORS

	TAKE-UP (SQ FT)	AVAILABILITY (SQ FT)	VACANCY RATE	UNDER CONSTRUCTION (SQ FT)
	▲ 3.08m	▼ 21.58	▼ 8.0%	▼ 14.12m
CHANGE ON				
2025 Q2	-12.7% ▼	-7.2% ▼	-0.8% ▼	-9.2% ▼
LTA	2.78m sq ft	19.51m sq ft	7.7%	13.59m sq ft

WEST END	
◀▶ £185.00 Prime headline rent (per sq ft)	▲ 1.41 m Take-up (per sq ft)
▼ £0.91 bn Investment turnover	◀▶ 3.75% Prime Yield

CITY & SOUTHBANK	
◀▶ £102.50 Prime headline rent (per sq ft)	▼ 1.36 m Take-up (per sq ft)
▼ £0.37 bn Investment turnover	◀▶ 5.25% Prime Yield

DOCKLANDS & STRATFORD	
▲ £62.50 Prime headline rent (per sq ft)	▲ 0.31 m Take-up (per sq ft)
▲ £0.75bn Investment turnover	◀▶ 7.50% Prime Yield



Source: Knight Frank Insight

The City & Southbank

Arrows throughout the report show how values have increased, decreased or stayed the same since the last quarter unless specified

£102.50
Rent (£ per sq ft)

1.36 m
Take-up (sq ft)

11.91m
Availability (sq ft)

£0.37bn
Investment turnover

5.25%
Prime yield

"New and refurbished space continued to dominate, accounting for 77.5% of Q2 leasing activity. For the first time since Q1 2024, the City & Southbank market recorded no transactions above 100,000 sq ft, with only a single letting completed between 80,000 and 100,000 sq ft."

LACK OF LARGE DEALS

Take-up across the City & Southbank market fell by 9.9% to 1.4m sq ft in Q2, some 11.8% below trend. New and refurbished space continued to dominate, accounting for 77.5% of Q2 leasing activity. For the first time since Q1 2024, the City & Southbank market recorded no transactions above 100,000 sq ft, with only a single letting completed between 80,000 and 100,000 sq ft. This lack of large transactions does look to be short-lived based on a number of units under offer (2.4m sq ft) as well as some parties in advanced negotiations.

Whilst larger deals were lacking, activity in the smaller size bands was comparatively buoyant. Activity was particularly robust at the smaller end of the market, with take-up for transactions below 5,000 sq ft running 60.1% above trend. Demand remained elevated across the 5,000–10,000 sq ft and 10,000–20,000 sq ft size bands, where take-up exceeded long-term averages by 56.8% and 21.8%, respectively. This divergence in activity between size bands is not necessarily an indicator of any weakness in demand or sentiment, rather it highlights that larger transactions are taking longer to translate from viewings into transactions.

The City Core was home to four of the five largest deals signed in Q2: Natixis at Thames Court, EC4 (88,449 sq ft), RPC

at DSQ10, 10 Devonshire Square, EC2 (59,479 sq ft), CIC at 1-2 Broadgate, EC2 (39,644 sq ft) and OLIX at 200 Aldersgate Street, EC1 (30,647 sq ft).

FINANCIAL FIRMS BOOST LEASING ACTIVITY

The financial sector dominated take-up in Q2 – accounting for 25.7% of activity across the City & Southbank market. The TMT sector accounted for a further 20.8% of volumes, whilst professional services accounted for an additional 19.9%.

Looking forward, momentum looks set to recover, with 2.4m sq ft of space under offer and 9.3m sq ft of active demand. This is a 29.6% uplift on the previous quarter and a 92.1% outperformance against the long-term trend. The professional sector represents over 3.4m sq ft of live searches with the financial sector accounting for a further 3.3m sq ft.

▼4.9%

Availability fell by 4.9% over the quarter to 11.9m sq ft, although this remains 14.6% above the 10-year average level.

SUPPLY CONTINUES TO FALL

Availability fell by 4.9% over the quarter to 11.9m sq ft which translated to a decline in the overall vacancy rate to 8.1%, just 40bps ahead of trend. The availability of new space continues to be restricted, with new vacancy falling to just 1.3% across the City & Southbank market.

Development completions fell by 74.6% over the quarter to just under 0.4m sq ft, with 20.8% of this space already pre-let. The limited pipeline of speculative completions points to a continued tightening of new and refurbished vacancy.

PRIME RENTS UNCHANGED

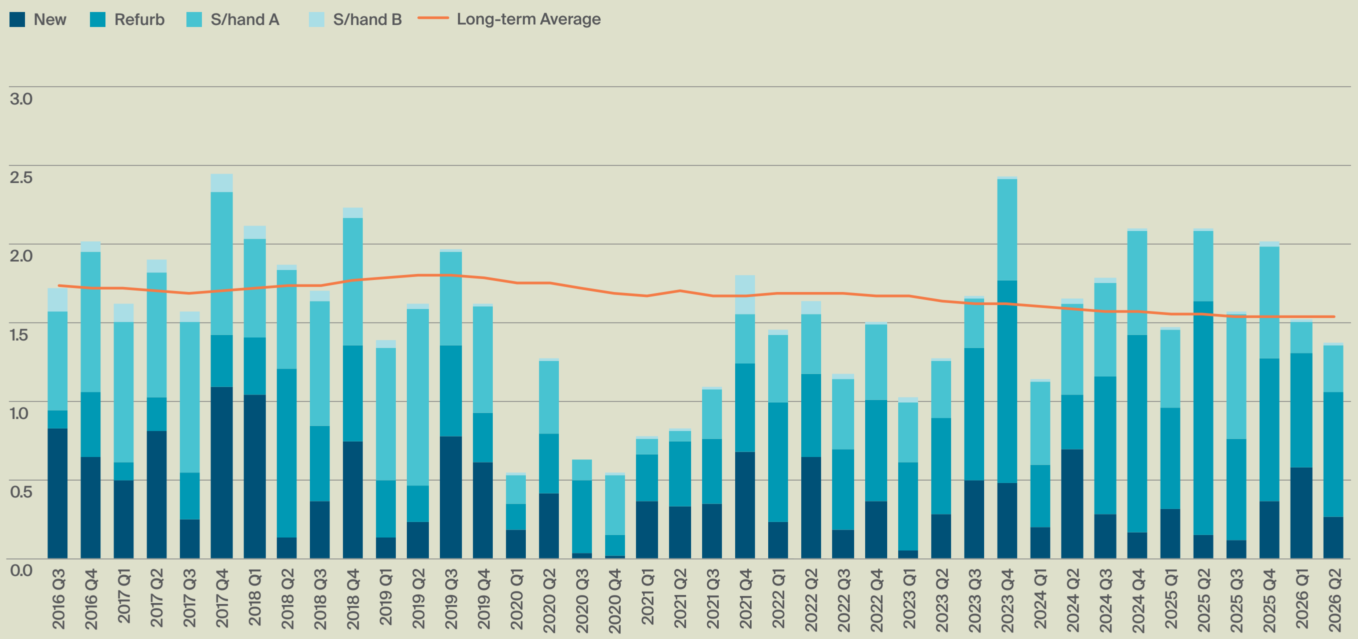
The decline in overall investment volume was largely driven by a sharp reduction in transactions above £100m, where activity fell 75.5% quarter-on-quarter to just £0.1bn. By contrast, the sub-£50m segment proved more resilient, with £0.2bn transacted, up 17.5% on the previous quarter, albeit still 31% below its long-term average.

The strongest rental tension remains concentrated in the City Core, where the supply of prime accommodation has become critically constrained. However, demand spillover is increasingly benefiting Midtown, Clerkenwell & Farringdon, and the Southbank Core, where occupiers continue to compete for scarce high-quality space. With development activity failing to keep pace with future requirements and large volumes of secondary stock slipping into obsolescence, the shortage of best-in-class offices is likely to remain a defining feature across London's leading office markets.

> “Looking forward, momentum looks set to recover, with 2.4m sq ft of space under offer and 9.3m sq ft of active demand.”

City & Southbank – Take-up

m sq ft



Source: Knight Frank Insight

FALL IN INVESTMENT ACTIVITY DELAYS RECOVERY

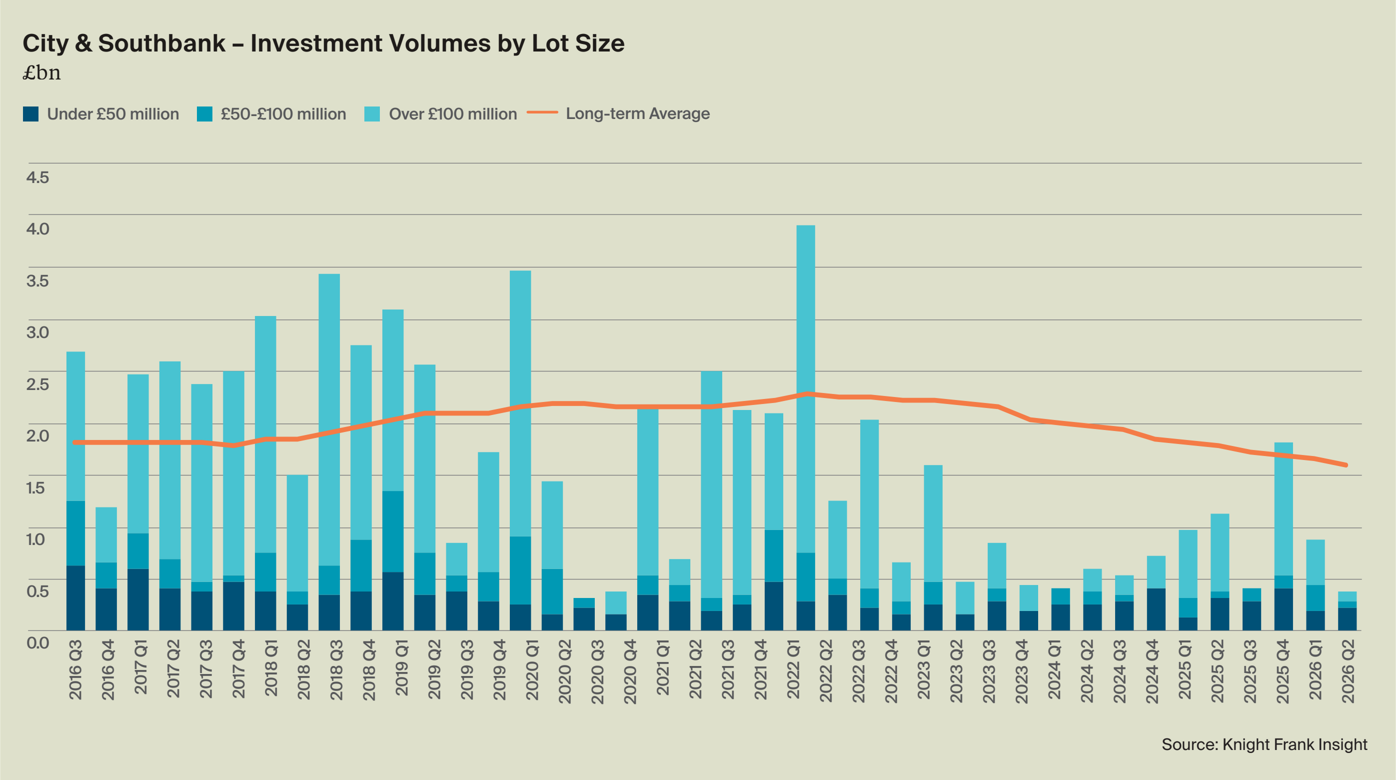
Investment turnover in the City & Southbank market fell by 57.4% to £0.4bn, which was 76.8% below the long-term average. This brought investment turnover over the last 12 months to £3.4bn, 48.3% below trend.

Value-add assets attracted the most investment (49.2%), closely followed by core plus assets (48.0%). Just one core asset traded in Q2. The muted level of core activity is less indicative of weak investor appetite and more a consequence of the turbulent geopolitical landscape. As confidence in the interest rate outlook improves, core capital is well positioned to re-engage given the depth of capital targeting prime London offices.

The total value of assets under offer fell by 47.0% to £0.5bn, which was 58.9% below the long-term trend. Almost 40% of the assets under offer are value-add, suggesting buyers remain willing to underwrite modest levels of development risk to reposition assets. Encouragingly, 26.7% of assets under offer are core assets, suggesting that activity could increase in the short to medium term.

Market pricing remains stable so far, with prime yields holding at 5.25%. This is set against a backdrop of geopolitical uncertainty that had seen an element of stability before the conflict in Iran resumed.

> "Investment turnover in the City & Southbank market fell by 57.4% to £0.4bn, which was 76.8% below the long-term average."



West End

£185.00

Rent (£ per sq ft)

1.41 m

Take-up (sq ft)

6.96 m

Availability (sq ft)

£0.91 bn

Investment turnover

3.75%

Prime yield

"Q2 take-up in the West End reached 1.4m sq ft, 52.3% above the previous quarter and 34.8% above the long-term average."

LARGER DEALS DRIVE HIGHER TAKE-UP

Q2 take-up in the West End reached 1.4m sq ft, 52.3% above the previous quarter and 34.8% above the long-term average. There was a single transaction above 100,000 sq ft, Anthropic's 158,138 sq ft letting across the 3rd to 6th floors at British Land and Royal London Asset Management's 1 Triton Square, NW1.

Take-up above 100,000 sq ft was 18.4% ahead of trend, and there was outperformance across mid to large size bands. Take-up below 10,000 sq ft, however, fell below average with 0-5,000 sq ft activity 7.7% below trend and 5,000-10,000 sq ft deals 27.5% below. This divergence likely reflects a combination of larger corporate requirements progressing after extended search periods, continued flight to quality among major occupiers, and a more cautious approach from smaller businesses, some of which may be favouring flexible or managed solutions over conventional leases.

Take-up of new and refurbished space reached 904,904 sq ft, making up 64.1% of total lettings. This represents a small decline over the quarter, although it is worth noting that secondhand take-up was significantly boosted by the three large assignments that completed at 1 Rathbone Square, W1: United Talent Agency (67,949 sq ft), Convene (53,847 sq ft) and Xantium (33,633 sq ft).

64.1%

Take-up of new and refurbished space reached 904,904 sq ft, making up 64.1% of total lettings

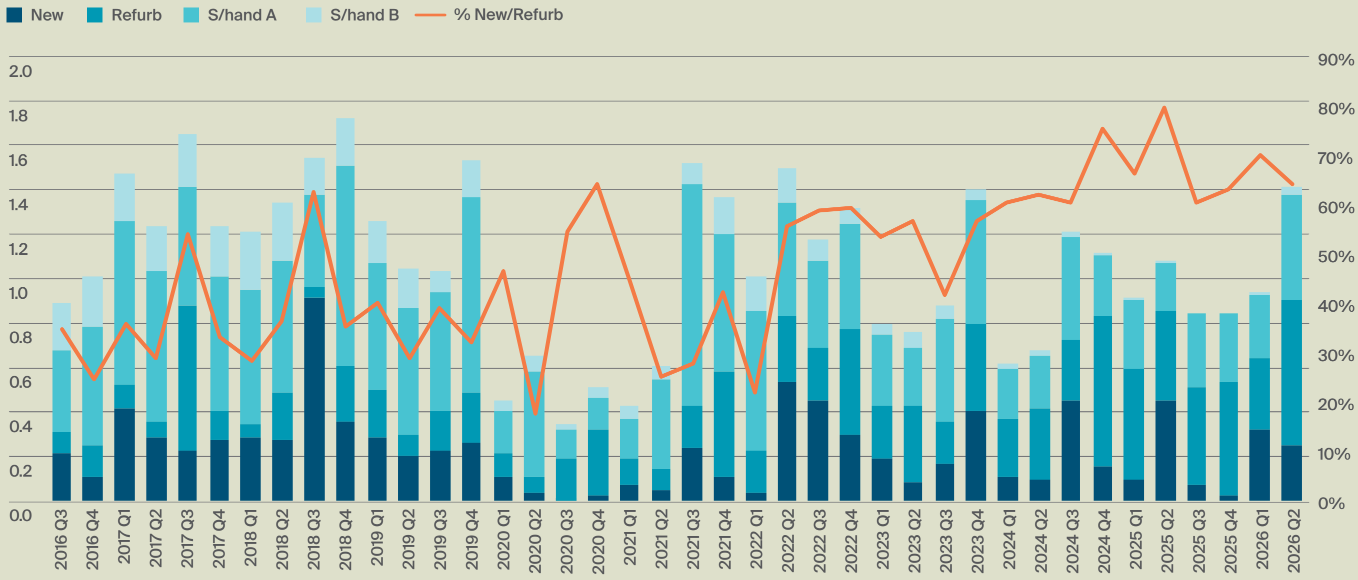
MORE ACTIVITY IN NON-CORE LOCATIONS

King's Cross/Euston attracted the highest volume of take-up, with the three largest deals in the submarket coming from the AI sector: Anthropic (158,138 sq ft), OpenAI (89,975 sq ft) and Prometheus (38,358 sq ft). For the second consecutive quarter, Fitzrovia and Victoria saw above trend leasing momentum, attracting 306,288 sq ft and 205,533 sq ft, respectively. Take-up in the West End Core saw an improvement of 30.6% over the quarter, but volumes remained 18.4% below the long-term average, driven in part by a lack of quality supply in the submarket.

AI REIGNS SUPREME

The continued wave of AI take-up meant that the TMT sector accounted for 35.1% of Q2 leasing activity, equivalent to 0.50m sq ft, which was 125.2% ahead of the long-term average. The next most active sector was professional services, which contributed a further 23.6% of Q2 take-up. The financial sector was less active, representing 11.5% of activity in Q2 – falling 30.7% short of trend.

West End – Take-up
m sq ft (LHS), % of take-up (RHS)



Source: Knight Frank Insight

At the end of Q2, there was 906,073 sq ft under offer in the West End, which is a 30.7% decrease over the quarter, owing to strong leasing activity. The submarket expected to see the most momentum in the near term is the West End Core where 184,433 sq ft is under offer.

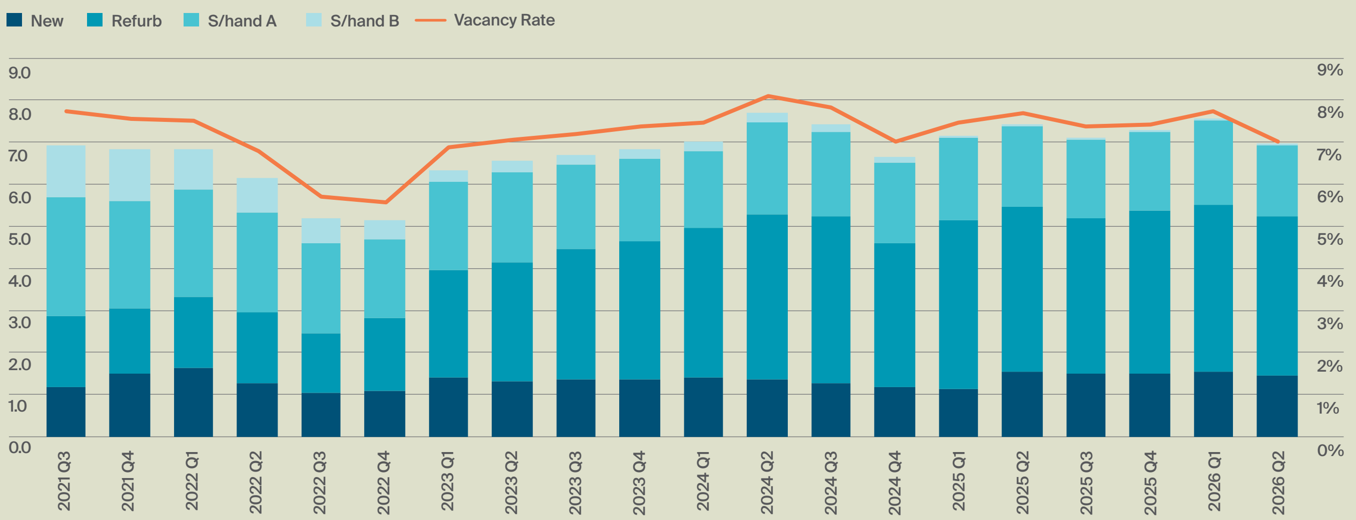
Encouragingly, active demand surged by 69.9% over the quarter to just under 3.4m sq ft, which is 61.5% ahead of the long-term average. In the immediate term, a slight reduction in the volume of space under offer could mean that Q3 take-up is less positive than in Q2, but the medium to long term prospects for the West End market look favourable given the upward shift in active demand.

AVAILABILITY DROPS BUT REMAINS ABOVE TREND

Overall availability fell by 8.3% to just under 7.0m sq ft, equating to a vacancy rate of 7.0%. The vacancy rate of new and refurbished space contracted from 5.6% to 5.3%, reversing the slight uptick in the previous quarter. The vacancy rate for new space also fell marginally to 1.5%.

There was 1.1m sq ft of development completions across the West End in Q2, which was 185.9% above the long-term average, and with over one-third already pre-let. The total was skewed by One Olympia, W14 (532,717 sq ft). Future supply will remain limited with the development pipeline dropping by 4.8% to 5.4m sq ft, of which 1.6m sq ft (29.8%) is already committed.

West End – Availability
m sq ft (LHS), % of stock (RHS)



Source: Knight Frank Insight

PRIME RENTS RISE IN NON-CORE SUBMARKETS

Prime rents remained at the previous quarter's level in all submarkets except Bloomsbury and King's Cross/Euston. In the former, they were adjusted upward by 6.1% to £87.50 per sq ft whilst the latter saw a quarterly increase of 2.6% to £97.50 per sq ft.

The West End Core remains one of London's most supply-constrained office markets, with exceptionally limited availability of prime space continuing to support landlord pricing power. Beyond the core, submarkets such as Soho, Fitzrovia and Marylebone are increasingly benefiting from sustained demand from technology and AI-focused occupiers, many of whom are attracted to the area's talent pool, innovation ecosystem and high-quality office stock. With limited new supply coming forward and an expanding volume of secondary stock slipping into obsolescence, the scarcity of high-quality accommodation is expected to continue underpinning rental tension across the wider West End market, helping to offset the impact of higher business costs on occupier demand.

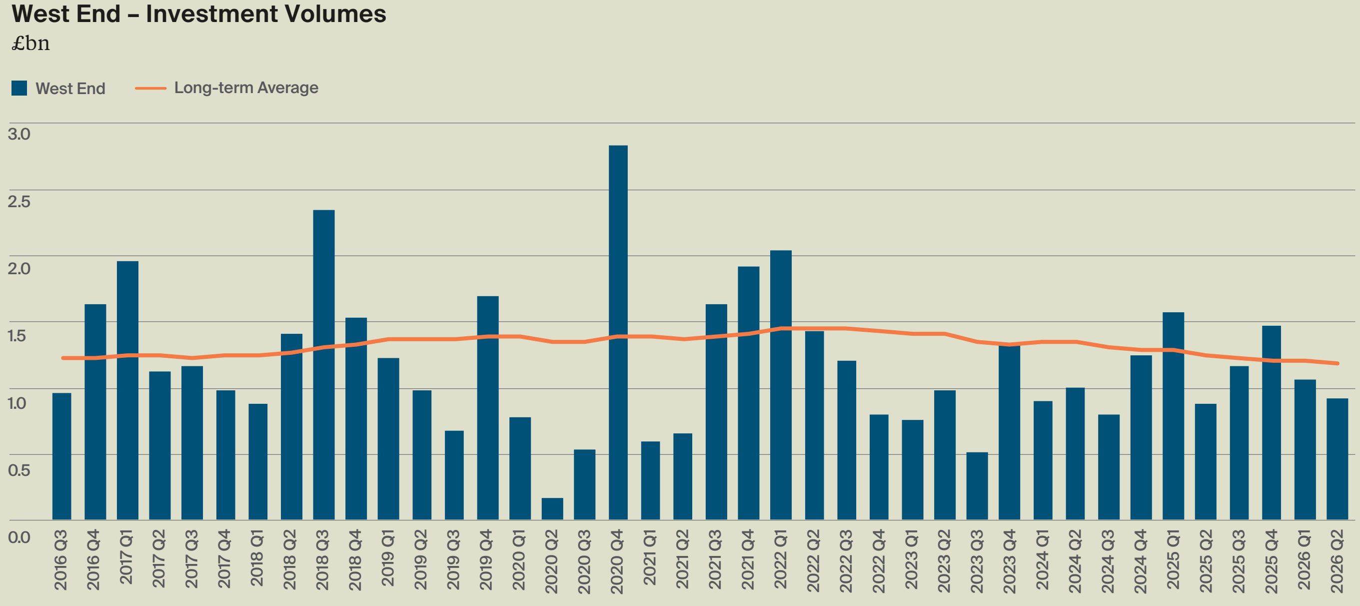
FOCUS ON CORE ASSETS IS PROMISING

Investment activity in the West End dropped by 14.0% over the quarter to £0.9bn, which was 23.4% below trend. West End investment accounted for 44.8% of total London turnover in Q2.

Larger lot sizes proved more popular, with assets greater than £100m accounting for 56.1% of Q2 investment activity, with three transactions above that threshold: Stirling Square, SW1 (£215m), 14 St George Street, W1 (£170m) and The Point, W2 (£125m).

In contrast to the City & Southbank market, core assets attracted the most investment in Q2, accounting for 64.9% of turnover. Interestingly, this focus on 'core' largely mirrored the location of the assets traded, with transactions in Mayfair/St James's contributing 65.9% of Q2 investment.

At the end of Q2, there was £1.8bn of assets under offer, up by nearly one-third since the end of March and 83.7% ahead of the long-term average. The renewed geopolitical tension and interest rate uncertainty will continue to mean the West End market's defensive profile remaining attractive to global investors.



Source: Knight Frank Insight

MARKETS IN REVIEW

Docklands & Stratford

▲ £62.50
Rent (£ per sq ft)

▲ 0.31 m
Take-up (sq ft)

▼ 2.73 m
Availability (sq ft)

▲ £0.75bn
Investment turnover

◀▶ 7.50%
Prime yield

CANARY WHARF COMEBACK CONTINUES

Having seen a subdued start to 2026, the Docklands & Stratford market has seen a strong resurgence in leasing activity, driven primarily by transactions in Canary Wharf. During the quarter there was 308,619 sq ft let, 493.0% up on the previous quarter and 69.2% ahead of trend.

The flight to quality continued to shape leasing activity, with new and refurbished space accounting for 60.3% of quarterly take-up. Over the last 12 months, this share has risen to 88.6%, markedly above the London average. Unlike previous periods of strong take-up in this market, there were no lettings above 100,000 sq ft. Instead, there was a more even distribution of transaction sizes in Q2, with a total of 12 deals bringing the average size to 25,718 sq ft.

As a result of the strong leasing momentum, the volume of space under offer has fallen by 22.8% to 437,400 sq ft, although this still represents a strong forward indicator for the market.

AVAILABILITY CONTINUES DOWNWARD TREND

Availability fell by 3.1% over the quarter to 2.7m sq ft, equating to a vacancy rate of 10.7%. This means that availability has fallen by 15.0% over the last 12 months, and that the vacancy rate is now 70bps below trend.

New and refurbished space accounted for 70.5% of availability at the end of Q2, translating to a vacancy rate of 7.5%, reflecting an increase of 70bps over the quarter. Over half (53.1%) of total availability is contained within units of 100,000 sq ft or more.

Whilst there were no developments completed in Q2, the under-construction pipeline increased by 15.3% to 828,338 sq ft, reflecting a revision of the development size for One North Quay, E14 which is scheduled to complete in 2028 (650,000 sq ft).

Strengthening demand for prime space in Canary Wharf resulted in prime rents rising from £57.50 to £62.50 per sq ft. Rents in the wider Docklands and Stratford submarkets remained stable.

> "During the quarter there was 308,619 sq ft let, 493.0% up on the previous quarter and 69.2% ahead of trend."

▼10.7%

Availability fell by 3.1% over the quarter to 2.7m sq ft, equating to a vacancy rate of 10.7%.

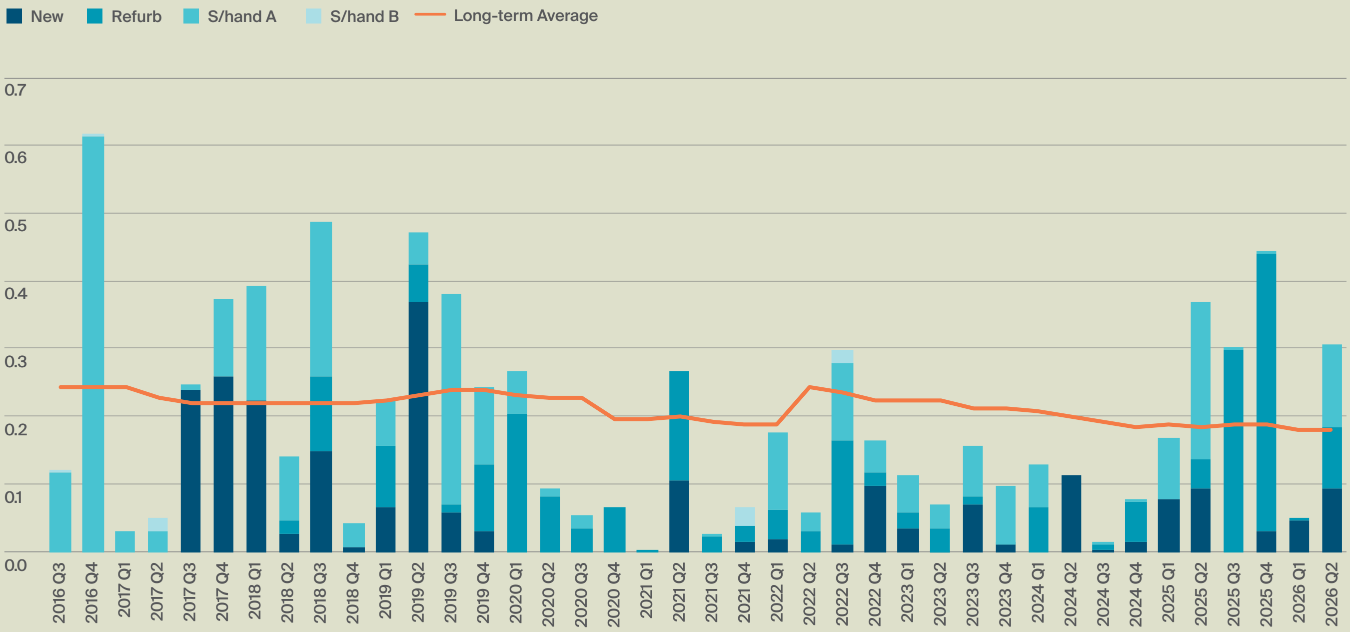
INVESTMENT FROM BARCLAYS BUCKS THE TREND

The £750m owner-occupier transaction by Barclays at 1 Churchill Place, E14 marks a rare investment highlighted for a submarket that has undergone a period of reinvention.

The acquisition provides a major vote of confidence in the submarket and for London as a financial centre.

> "Strengthening demand for prime space in Canary Wharf resulted in prime rents rising from £57.50 to £62.50 per sq ft."

Docklands & Stratford – Take-up
m sq ft



Source: Knight Frank Insight

Key Statistics

	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	% CHANGE 3 MONTHS	% CHANGE 12 MONTHS	10-YEAR QUARTERLY AVERAGE
AVAILABILITY (SQ FT)								
West End	7.41 m	7.10 m	7.27 m	7.58 m	6.96 m	-8.3%	-6.1%	6.24 m
City & Southbank	12.64 m	13.54 m	12.84 m	12.51 m	11.90 m	-4.9%	-5.9%	10.38 m
Docklands & Stratford	3.21 m	3.28 m	2.91 m	2.81 m	2.73 m	-3.1%	-15.0%	2.89 m
London	23.26 m	23.92 m	23.02 m	22.90 m	21.58 m	-5.8%	-7.2%	19.51 m
VACANCY RATE								
West End	7.7%	7.4%	7.4%	7.7%	7.0%	-0.7%	-0.7%	6.8%
City & Southbank	8.8%	9.4%	8.9%	8.5%	8.1%	-0.4%	-0.7%	7.7%
Docklands & Stratford	12.6%	12.8%	11.4%	11.1%	10.7%	-0.3%	-1.9%	11.3%
London	8.8%	9.0%	8.6%	8.5%	8.0%	-0.5%	-0.8%	7.7%
TAKE-UP (SQ FT)								
West End	1.07 m	0.84 m	0.85 m	0.93 m	1.41 m	52.3%	31.5%	1.05 m
City & Southbank	2.09 m	1.57 m	2.02 m	1.51 m	1.36 m	-9.9%	-34.7%	1.55 m
Docklands & Stratford	0.37 m	0.30 m	0.44 m	0.05 m	0.31 m	493.0%	-16.7%	0.18 m
London	3.53 m	2.71 m	3.31 m	2.49 m	3.08 m	23.8%	-12.7%	2.78 m
ACTIVE REQUIREMENTS (SQ FT)								
West End	1.92 m	1.93 m	1.96 m	1.98 m	3.37 m	69.9%	75.4%	2.09 m
City & Southbank	4.49 m	6.12 m	7.56 m	7.14 m	9.26 m	29.6%	105.9%	4.82 m
Docklands	0.28 m	0.52 m	0.07 m	0.26 m	0.43 m	67.7%	56.6%	0.48 m
London-wide	3.30 m	1.66 m	1.78 m	2.69 m	1.26 m	-53.2%	-61.8%	2.32 m
London	9.99 m	10.23 m	11.36 m	12.07 m	14.32 m	18.6%	43.3%	9.71 m
UNDER CONSTRUCTION (SQ FT)								
West End	6.22 m	6.56 m	5.80 m	5.69 m	5.42 m	-4.8%	-12.9%	4.54 m
City & Southbank	8.62 m	8.52 m	8.53 m	8.15 m	7.88 m	-3.4%	-8.6%	8.18 m
Docklands & Stratford	0.72 m	0.72 m	0.72 m	0.72 m	0.83 m	15.3%	15.3%	0.87 m
London	15.56 m	15.80 m	15.05 m	14.56 m	14.12 m	-3.0%	-9.2%	13.59 m
DEVELOPMENT COMPLETIONS (SQ FT)								
West End	0.45 m	0.15 m	1.34 m	0.47 m	1.08 m	126.8%	137.3%	0.38 m
City & Southbank	1.37 m	0.95 m	0.65 m	1.40 m	0.35 m	-74.6%	-74.1%	0.78 m
Docklands	0.00 m	0.00 m	0.00 m	0.00 m	0.00 m			0.09 m
London	1.82 m	1.09 m	1.99 m	1.87 m	1.43 m	-23.5%	-21.5%	1.25 m
INVESTMENT TURNOVER								
West End	£0.89 bn	£1.17 bn	1.46 bn	1.06 bn	0.91 bn	-14.0%	2.7%	1.19 bn
City & Southbank	£1.11 bn	£0.40 bn	1.79 bn	0.87 bn	0.37 bn	-57.4%	-66.6%	1.60 bn
Docklands & Stratford	£0.00 bn	£0.00 bn	0.00 bn	0.00 bn	0.75 bn			0.12 bn
London	£2.00 bn	£1.57 bn	3.25 bn	1.93 bn	2.03 bn	5.3%	1.8%	2.91 bn
PRIME HEADLINE RENTS (PER SQ FT)								
West End	£182.50	£182.50	£185.00	£185.00	£185.00	0.0%	1.4%	4.9%
City & Southbank	£100.00	£100.00	£102.50	£102.50	£102.50	0.0%	2.5%	3.9%
Docklands & Stratford	£57.50	£57.50	£57.50	£57.50	£62.50	8.7%	8.7%	4.8%

Source: Knight Frank Insight. Notes: London active requirements includes unspecified target locations. Percentage point difference for vacancy rate.

We like questions. If you've got one about our research, or would like some property advice, we would love to hear from you.

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General Note
This report has been prepared by Knight Frank Insight, the research and consultancy division of Knight Frank. Knight Frank Insight gratefully acknowledges the assistance given by the London office teams in the compilation and presentation of this material. Certain data sourced from LOD. All graph data sourced by Knight Frank.

Technical Note
The following criteria have been adopted in the preparation of this report.

i. All floorspace figures quoted in this report refer to sq ft net.

ii. Take-up figures refer to space let, pre-let, or acquired for occupation during the quarter.

iii. Availability refers to all space available for immediate occupation, plus space still under construction which will be completed within six months and which has not been let.

iv. Availability and take-up are classified into three grades: New/refurbished: Space under construction which is due for completion within six months or space which is currently on the market and is either new or completely refurbished. Second-hand A Grade: Previously occupied space with air-conditioning. Second-hand B Grade: Previously occupied space without air-conditioning.

v. Demand figures quoted in this report refer to named requirements for over 10,000 sq ft.

vi. Under construction figures quoted in this report refer to developments of over 20,000 sq ft which are currently underway. They do not include properties undergoing demolition.

vii. Investment figures quoted in this report refer to accommodation where the majority of income/potential income is from office usage and comprises transactions of £1 m and above. The data includes standing investments, site purchases and funding transactions.

viii. This report is produced to standard quarters.
Quarter 1: January 1 – March 31,
Quarter 2: April 1 – June 30,
Quarter 3: July 1 – September 30,
Quarter 4: October 1 – December 31

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