

London Offices Spotlight



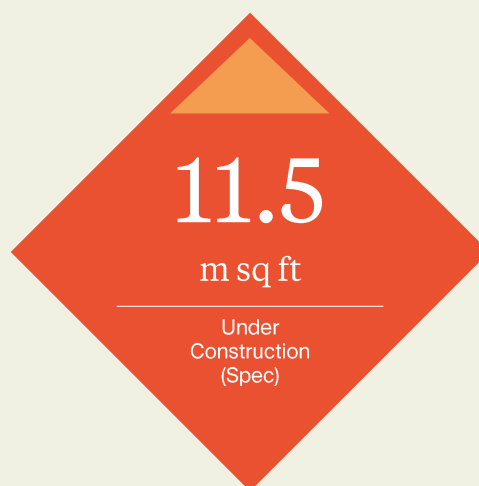
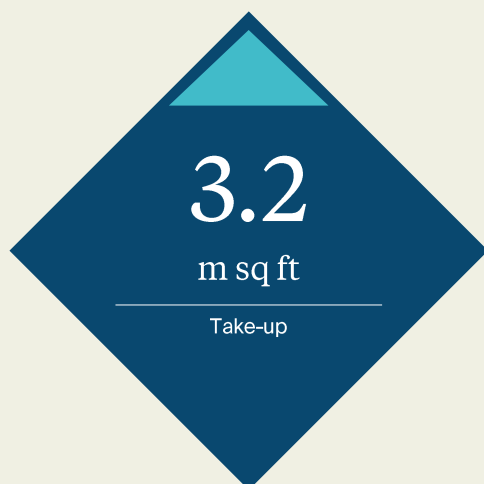
Q3 2026

A quarterly snapshot of the London office market.

knightfrank.co.uk/research



London Overview



Key Themes

1.

Leasing volumes improve to 3.2m sq ft, boosted by pre-let transactions.

2.

Vacancy falls below the long-term average for the first time since COVID-19.

3.

Investment activity saw an uptick, driven by large-scale investment in The Docklands, although sentiment remains impacted by interest rate volatility.

Submarket Key Indicators

Submarkets	New/Refurb Vacancy Rate	Vacancy Rate	Prime Rent	Quarterly Change	Rent Free Periods (Months)
Aldgate/Whitechapel	5.4%	10.3%	£57.50	◄◄	27
City Core	3.9%	5.5%	£112.50	▲	24
Clerkenwell/Farringdon	8.9%	11.7%	£92.50	◄◄	24
Midtown	4.8%	5.6%	£85.00	◄◄	27
Southbank Core	7.2%	8.4%	£90.00	◄◄	24-27
Vauxhall/Battersea	16.3%	17.2%	£60.00	◄◄	24-27
Canary Wharf	5.0%	8.0%	£62.50	◄◄	27-30
Rest of Docklands	4.6%	5.7%	£32.50	◄◄	30
Stratford	12.7%	17.4%	£48.50	◄◄	27
Bloomsbury	3.9%	5.8%	£87.50	◄◄	24-27
Fitzrovia	5.1%	7.7%	£115.00	▲	24
King's Cross/Euston	3.7%	4.0%	£102.50	▲	24-27
Knightsbridge/Chelsea	9.9%	11.9%	£102.50	◄◄	24-27
Marylebone	4.4%	5.7%	£125.00	▲	24
Paddington	2.4%	5.7%	£85.00	◄◄	24-27
Soho	2.9%	5.4%	£120.00	▲	24
Strand/Covent Garden	7.0%	8.6%	£92.50	◄◄	24-27
Victoria	4.0%	4.7%	£95.00	◄◄	24-27
West End Core	4.3%	6.3%	£200.00	▲	24
White City	12.5%	18.7%	£57.50	◄◄	24-27

Pre-let space under construction

19.0%

City & Southbank



0.0%

Docklands & Stratford



16.5%

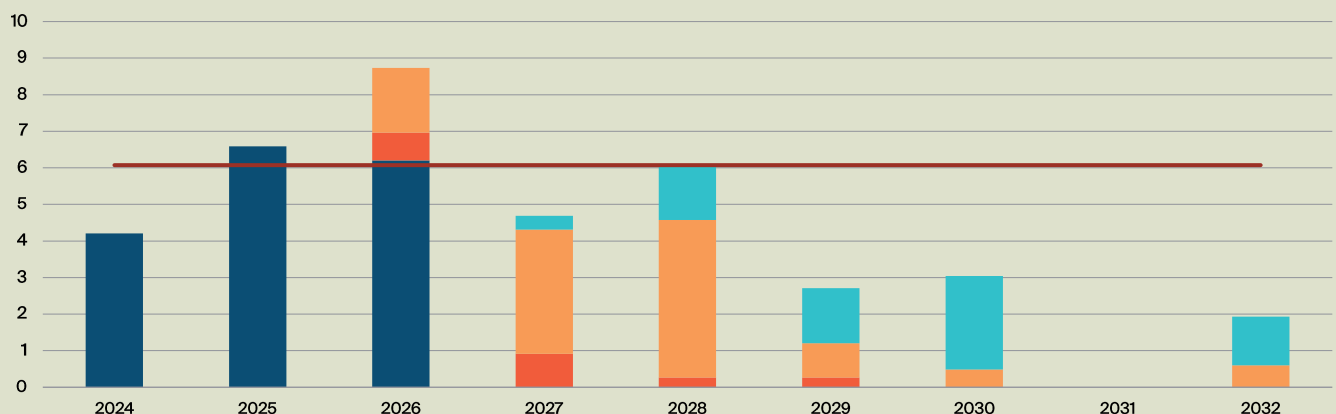
West End



London - Development Pipeline

m sq ft

Series1 U/C Pre-let U/C Speculative Potential Most Likely Take-up - New/Refurb Long-term Average



Source: Knight Frank Insight

City & Southbank Overview

LEASING MARKET

m sq ft, % of stock	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	% Change		Long-term average
						3M	12M	
Take-up	1.57 m	2.02 m	1.51 m	1.36 m	2.12 m	55.4%	35.4%	1.56 m
Availability	13.54 m	12.84 m	12.51 m	11.90 m	11.03 m	-7.2%	-18.5%	10.54 m
Total Under Offer	1.53 m	2.17 m	1.78 m	2.42 m	2.49 m	2.9%	-3.9%	-
Vacancy Rate*	9.4%	8.9%	8.5%	8.1%	7.5%	-0.6%	-1.9%	7.8%
New/Refurb Vacancy Rate	5.5%	5.8%	6.2%	6.2%	5.7%	-0.5%	0.2%	4.3%
Active Requirements	6.12 m	7.56 m	7.14 m	9.26m	7.88m	-14.9%	28.8%	4.91 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
One Spitalfields, E1	470,000	Jane Street Capital	Confidential
MidCity Place, WC1	160,569	Mishcon de Reya	£83.06
One Millennium Bridge, EC4	75,905	Morningstar	£87.00-£88.00
Bow Bells House, EC4	70,812	Fora	£72.50
One Exchange Square, EC2	61,929	Oracle	£97.40

Knight Frank deals

INVESTMENT MARKET

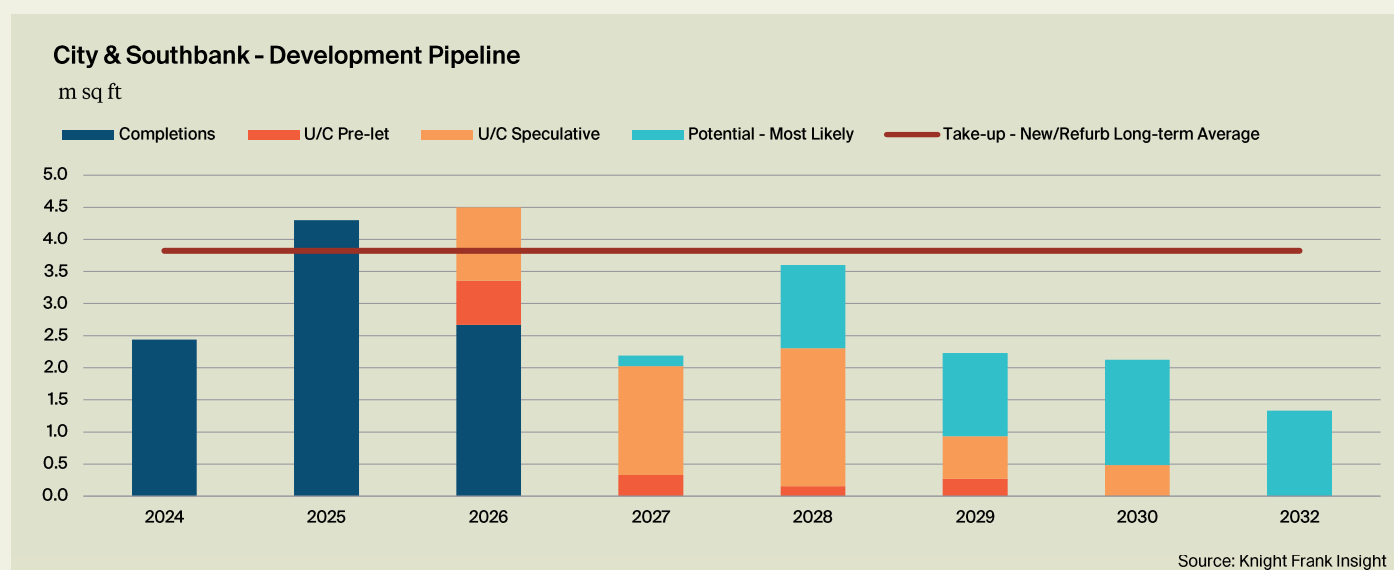
£bn, % per annum	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	% Change		Long-term average
						3M	12M	
Turnover	0.40 bn	1.79 bn	0.87 bn	0.37 bn	0.38 bn	3.2%	-3.7%	1.58 bn
Availability	1.28 bn	1.15 bn	1.08 bn	1.74 bn	2.34 bn	34.5%	82.1%	2.52 bn
Under Offer	1.79 bn	1.20 bn	1.01 bn	0.54 bn	1.88 bn	250.3%	4.8%	1.32 bn
Yield*	5.25%	5.25%	5.25%	5.25%	5.50%	0.25%	0.25%	4.58%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
The Worship Estate, Worship Street, EC2	£74.6m	£383	8.57%	Roca Real Estate
1 America Square, EC3	£44.0m	£190	12.84%	MGI
179-191 Borough High Street, SE1	£27.0m	£866	8.3%	Iroko
Saffron Hill Car Park, 14 St Cross Street, EC1	£25.0m	£271	-	Morgan Real Estate
6-9 Eldon Street, EC2	£24.5m	£737	-	JMK Group

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



Docklands & Stratford Overview

LEASING MARKET						% Change		Long-term average
m sq ft, % of stock	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	3M	12M	
Take-up	0.30 m	0.44 m	0.05 m	0.31 m	0.21 m	-32.8%	-31.3%	0.20 m
Availability	3.28 m	2.91 m	2.82 m	2.73 m	2.24 m	-18.0%	-31.8%	2.98 m
Total Under Offer	0.28 m	0.45 m	0.56 m	0.44 m	0.70 m	59.1%	94.4%	-
Vacancy Rate*	12.8%	11.4%	11.0%	10.7%	8.8%	-1.9%	-4.0%	11.4%
New/Refurb Vacancy Rate	7.3%	6.8%	6.8%	7.5%	5.8%	-1.7%	-1.5%	5.4%
Active Requirements	0.52 m	0.07 m	0.26 m	0.43 m	0.49 m	14.3%	-5.2%	0.47 m

* percentage point difference from previous quarter/year

Building	Sq ft	Occupier	Rent (PSF)
YY London, 30 South Colonnade, E14	152,791	Deutsche Bank	Confidential
The Columbus Building, 7 Westferry Circus, E14	23,700	Genomics England	Confidential
Import Building (R1), Republic, E14	22,858	MLA College	£39.50
The Cabot, 25 Cabot Square, E14	4,350	The Secretary of State for Housing, Communities and Local Government	£42.50
99 Wallis Road, E9	1,979	Confidential	Confidential

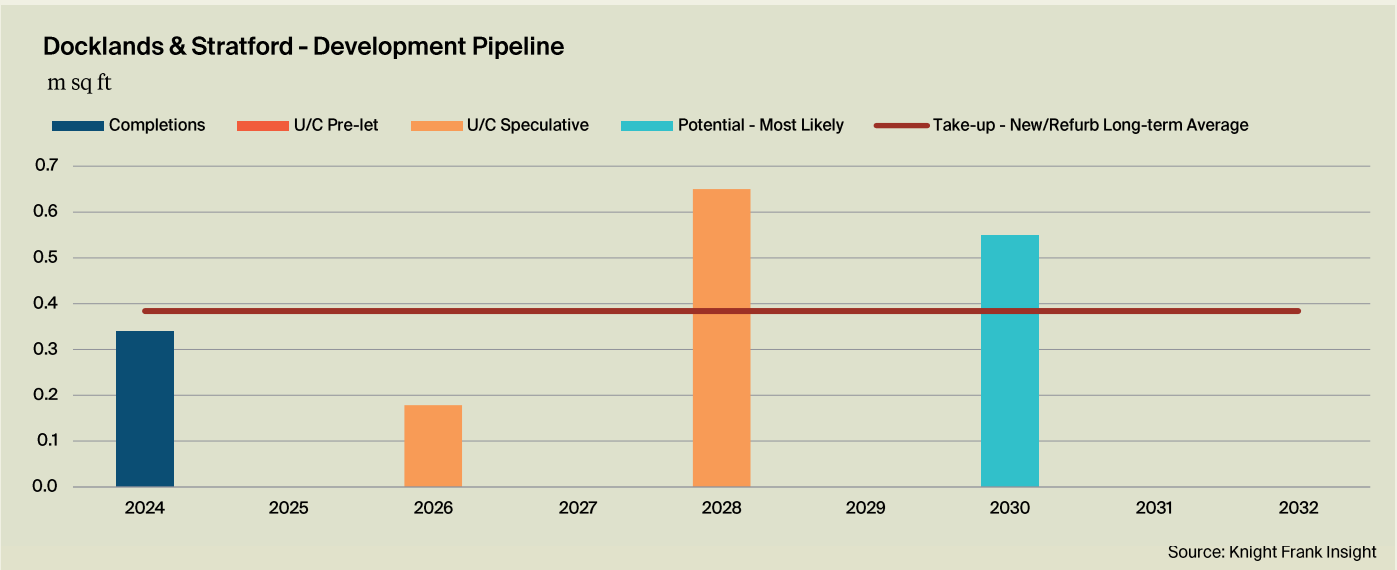
Knight Frank deals

INVESTMENT MARKET						% Change		Long-term Average
£bn, % per annum	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	3M	12M	
Turnover	0.00 bn	0.00 bn	0.00 bn	0.75 bn	0.85 bn	12.7%	-	0.14 bn
Availability	0.00 bn	0.33 bn	0.10 bn	0.26 bn	0.02 bn	-91.4%	-	0.08 bn
Under Offer	0.01 bn	0.00 bn	0.25 bn	0.25 bn	0.16 bn	-37.4%	1450.0%	0.04 bn
Yield*	7.50%	7.50%	7.50%	7.50%	7.50%	-0.00%	-0.00%	5.71%

* percentage point difference from previous quarter/year

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
HQ, 1-5 Bank Street, E14	£625.0m	£870	5.47%	BGRE/QIA
The Inventory, East India Dock, E14	£220.0m	£314	-	Telehouse International Corporation of Europe

Knight Frank deals



West End Overview

LEASING MARKET

m sq ft, % of stock	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	% Change		Long-term average
						3M	12M	
Take-up	0.84 m	0.85 m	0.93 m	1.41 m	0.89 m	-37.0%	5.7%	1.06 m
Availability	7.10 m	7.27 m	7.58 m	6.96 m	6.68 m	-4.0%	-5.9%	6.24 m
Total Under Offer	0.91 m	0.75 m	1.28 m	0.92 m	1.28 m	39.1%	40.7%	-
Vacancy Rate*	7.4%	7.5%	7.7%	7.0%	6.6%	-0.4%	-0.8%	6.8%
New/Refurb Vacancy Rate	5.4%	5.5%	5.6%	5.3%	4.9%	-0.4%	-0.5%	3.3%
Active Requirements	1.93 m	1.96 m	1.98 m	3.37 m	3.36 m	-0.3%	74.2%	2.10 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
Film House, 142 Wardour Street, W1	94,239	Microsoft (CoPilot)	£116.00 (blend)
Reflector, 2-6 Pancras Way, NW1	82,769	Safe AI	£130.00
5 Merchant Square, W2	45,834	Marks & Spencer	£85.00
Verde, 10 Bressenden Place, SW1	28,439	Hamilton Lane	£95.00
The Elephant, 318 Oxford Street, W1	28,105	Park Square Capital	£162.50

Knight Frank deals

INVESTMENT MARKET

£bn, % per annum	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	% Change		Long-term average
						3M	12M	
Turnover	1.17 bn	1.46 bn	1.06 bn	0.91 bn	1.32 bn	44.9%	12.7%	1.20 bn
Availability	2.54 bn	1.91 bn	3.30 bn	2.64 bn	1.55 bn	-41.2%	-38.9%	1.90 bn
Under Offer	1.21 bn	1.85 bn	1.34 bn	1.79 bn	1.23 bn	-31.2%	1.2%	0.99 bn
Yield*	3.75%	3.75%	3.75%	3.75%	4.00%	0.25%	0.25%	3.61%

* percentage point difference from previous quarter/year

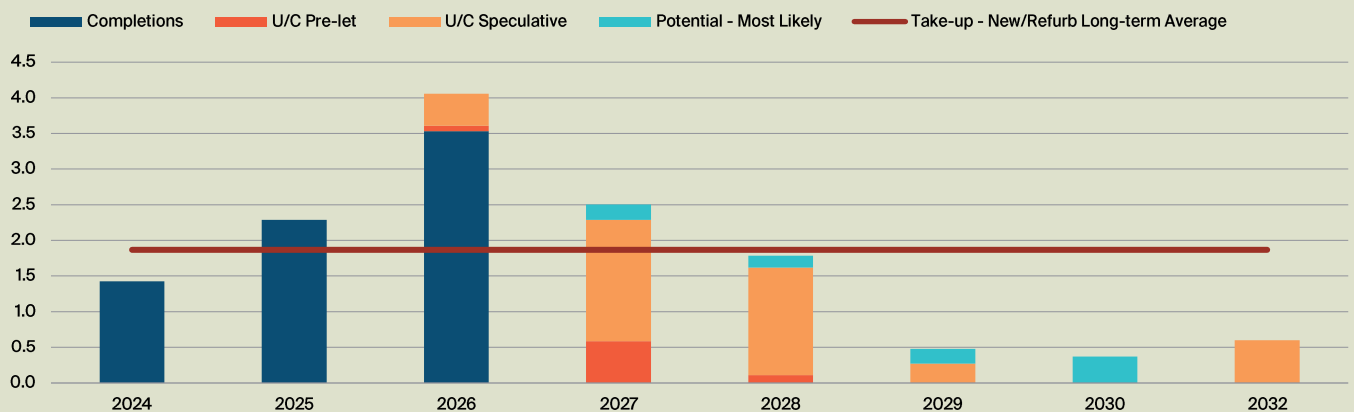
KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
1 St James's Square, SW1	£291.0m	£2,807	5.42%	KKCG/YardNine
123 Victoria Street, SW1	£211.0m	£861	8.23%	SevenCitiesLDN
27 Savile Row, W1	£105.0m	£2,250	-	BNF Capital/Morgan Real Estate
16 Berkeley Street, W1	£81.5m	£2,036	2.89%	Arax Properties
25 Great Pulteney Street, W1	£73.0m	£2,247	3.78%	Acai Group

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

West End - Development Pipeline

m sq ft



Source: Knight Frank Insight

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

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General Note

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

Technical Note

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

- i. All floorspace figures quoted in this report refer to sq ft net.
- ii. Take-up figures refer to space let, pre-let, or acquired for occupation during the quarter.
- iii. Availability refers to all space available for immediate occupation, plus space still under construction which will be completed within six months and which has not been let.
- iv. Availability and take-up are classified into three grades: New/refurbished: Space under construction which is due for completion within six months or space which is currently on the market and is either new or completely refurbished. Second-hand A Grade: Previously occupied space with air-conditioning. Second-hand B Grade: Previously occupied space without air-conditioning.
- v. Demand figures quoted in this report refer to named requirements for over 10,000 sq ft.
- vi. Under construction figures quoted in this report refer to developments of over 20,000 sq ft which are currently underway. They do not include properties undergoing demolition.
- vii. Investment figures quoted in this report refer to accommodation where the majority of income/potential income is from office usage and comprises transactions of £1 m and above.
- viii. The data includes standing investments, site purchases and funding transactions.
- ix. This report is produced to standard quarters. Quarter 1: January 1 – March 31, Quarter 2: April 1 – June 30, Quarter 3: July 1 – September 30, Quarter 4: October 1 – December 31



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