London Offices Spotlight

Q1 2026

A quarterly snapshot of the London office market.

knightfrank.co.uk/research

London Overview

2.5 m sq ft
Take-up

22.9 m sq ft
Availability

8.5 %
Vacancy rate

12.1 m sq ft
Active Requirements

£1.9 bn
Investment volumes

10.9 m sq ft
Under Construction (Spec)

Key Themes

1.

Leasing eased to a typical seasonal level, but occupier demand stayed quality-led, with over 80% of take-up in new/refurb space.

2.

Near-term demand remains robust, with 3.7m sq ft under offer and more than 12m sq ft of active requirements.

3.

Investment activity slowed in Q1 as interest rate volatility dented sentiment, rather than reflecting weaker underlying appetite.

Submarket Key Indicators

Submarkets	New/Refurb Vacancy Rate	Vacancy Rate	Prime Rent	Quarterly Change	Rent Free Periods (Months)
Aldgate/Whitechapel	4.6%	9.6%	£57.50	◀▶	27
City Core	4.3%	5.9%	£102.50	◀▶	24-27
Clerkenwell/Farringdon	11.2%	16.1%	£92.50	◀▶	24
Midtown	4.2%	6.3%	£85.00	◀▶	27
Southbank Core	8.1%	9.5%	£90.00	◀▶	24-27
Vauxhall/Battersea	17.1%	18.0%	£60.00	◀▶	24-27
Canary Wharf	5.3%	9.5%	£57.50	◀▶	27-30
Rest of Docklands	4.7%	6.0%	£32.50	◀▶	30
Stratford	19.0%	27.5%	£48.50	◀▶	27
Bloomsbury	3.9%	7.8%	£82.50	◀▶	24-27
Fitzrovia	6.1%	10.9%	£102.50	▲	24
King's Cross/Euston	4.8%	5.2%	£95.00	◀▶	24-27
Knightsbridge/Chelsea	12.2%	14.7%	£102.50	◀▶	24-27
Marylebone	4.4%	6.4%	£115.00	◀▶	24
Paddington	4.0%	5.9%	£85.00	◀▶	24-27
Soho	2.5%	5.3%	£100.00	◀▶	24
Strand/Covent Garden	7.8%	10.5%	£92.50	◀▶	24-27
Victoria	6.0%	6.8%	£95.00	▲	24-27
West End Core	3.4%	5.3%	£185.00	◀▶	21
White City	11.6%	17.8%	£57.50	◀▶	24-27

Pre-let space under construction

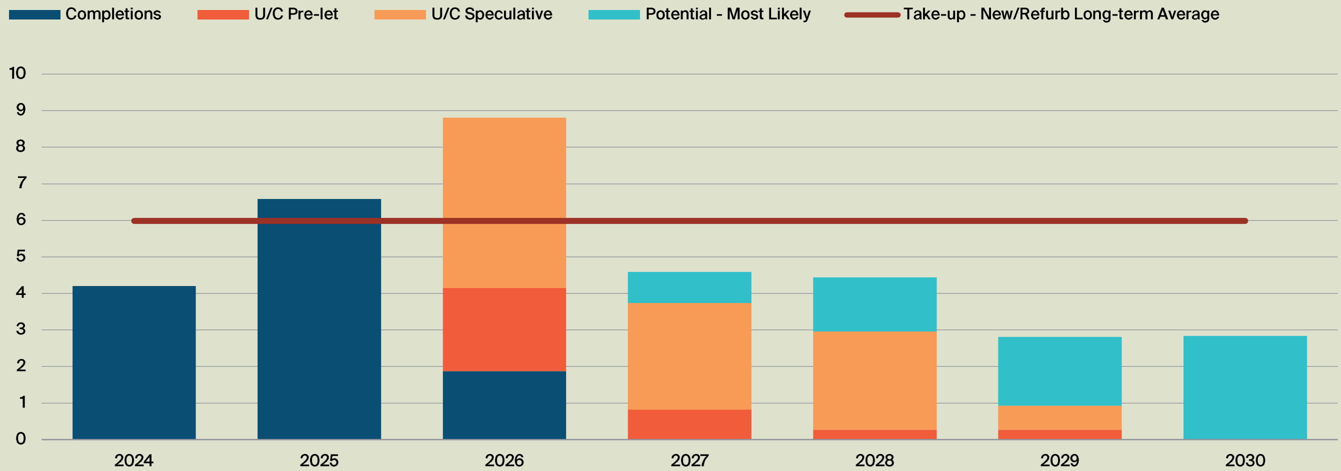
23.5%
City & Southbank
▼

0.0%
Docklands & Stratford
◀▶

30.2%
West End
▼

London - Development Pipeline

m sq ft



Source: Knight Frank Insight

City & Southbank Overview

LEASING MARKET

m sq ft, % of stock	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	% Change 3M	% Change 12M	Long-term average
Take-up	1.48 m	2.09 m	1.57 m	2.02 m	1.51 m	-25.0%	2.1%	1.54 m
Availability	12.76 m	12.64 m	13.54 m	12.84 m	12.51 m	-2.6%	-2.0%	10.33 m
Total Under Offer	1.52 m	2.59 m	1.53 m	2.17 m	1.78 m	-18.0%	17.1%	-
Vacancy Rate*	9.0%	8.8%	9.4%	8.9%	8.5%	-0.4%	-0.5%	7.7%
New/Refurb Vacancy Rate	4.9%	4.9%	5.5%	5.8%	6.2%	0.4%	1.3%	4.1%
Active Requirements	5.10 m	4.49 m	6.12 m	7.56 m	7.14 m	-5.5%	40.1%	4.68 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
1 Appold Street, EC2A	266,054	Herbert Smith Freehills	£103.00
Ink Building, 25 Lavington Street, SE1	205,208	BP	£77.50 - £109.00
Fresh Wharf, 3 Lower Thames Street, EC3R	57,750	NTT	Confidential
The Delft, Minerva House, SE1	52,293	Quantexa	£85.00-£145.00
1 Great St Helens, EC3A	49,870	Landmark	£73.00

Knight Frank deals

INVESTMENT MARKET

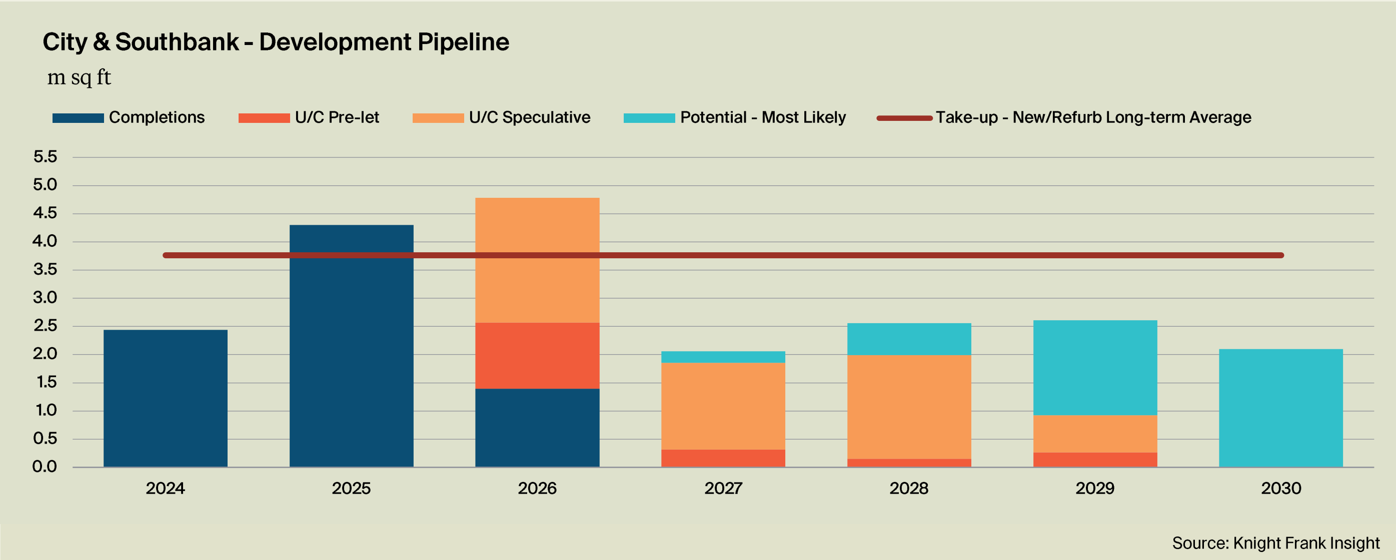
£bn, % per annum	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	% Change 3M	% Change 12M	Long-term average
Turnover	0.97 bn	1.11 bn	0.40 bn	1.79 bn	0.87 bn	-51.4%	-10.0%	1.66 bn
Availability	1.99 bn	1.56 bn	1.28 bn	1.15 bn	1.08 bn	-6.1%	-45.7%	2.59 bn
Under Offer	0.56 bn	0.99 bn	1.79 bn	1.20 bn	1.01 bn	-16.0%	81.6%	1.31 bn
Yield*	5.25%	5.25%	5.25%	5.25%	5.25%	0.00%	0.00%	4.52%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
Warwick Court, EC4M	£185m	£1,334	4.8%	Daibiru Corporation
45 Cannon Street, EC4N	£112m	£1,214	5.5%	Global Relay
70 Chancery Lane, WC2A	Q. 75m	Q.£964	Q.5.6%	HIH Invest Real Estate
Fetter Yard, EC4A	Q.£90m	Q.£860	Q.6.5%	Ares
The Sans, EC1M	£45.9m	£1,251	5.8%	Aberdeen

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 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	3M	12M	
Take-up	0.17 m	0.37 m	0.30 m	0.44 m	0.05 m	-88.3%	-68.9%	0.18 m
Availability	3.87 m	3.21 m	3.28 m	2.91 m	2.82 m	-3.1%	-27.1%	2.83 m
Total Under Offer	0.24 m	0.36 m	0.28 m	0.45 m	0.56 m	24.4%	133.3%	-
Vacancy Rate*	15.2%	12.6%	12.8%	11.4%	11.1%	-0.3%	-4.1%	11.2%
New/Refurb Vacancy Rate	7.9%	7.2%	7.3%	6.8%	6.8%	0.1%	-1.1%	5.1%
Active Requirements	0.45 m	0.28 m	0.52 m	0.07 m	0.26 m	285.7%	-42.3%	0.49 m

* percentage point difference from previous quarter/year

KEY LEASING DEALS

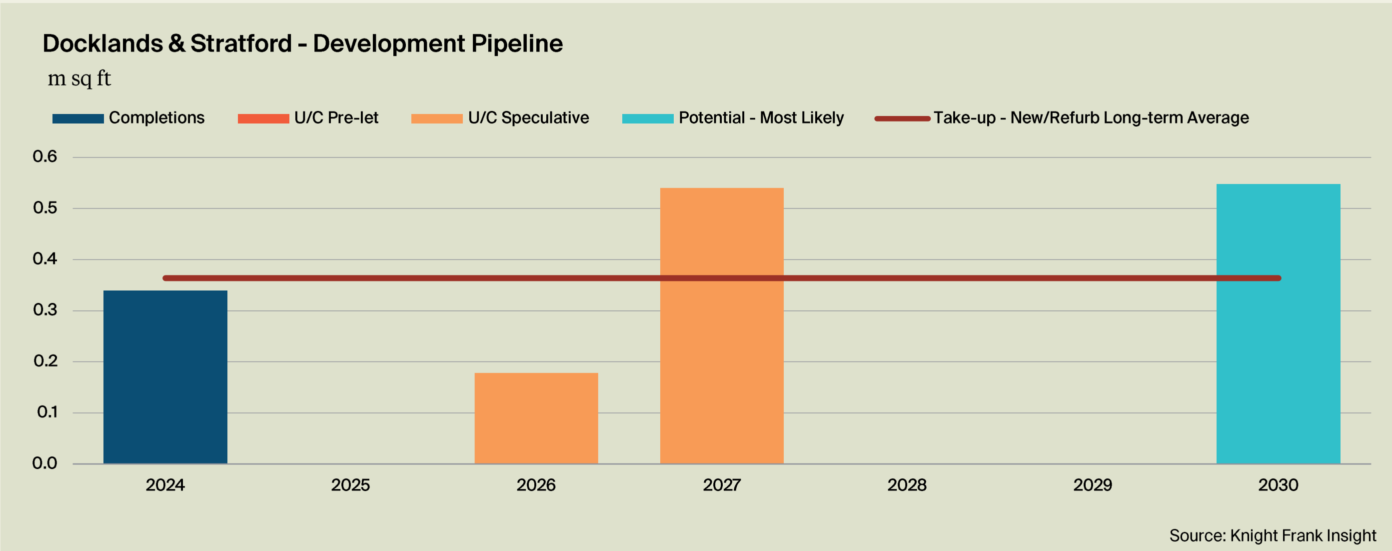
Building	Sq ft	Occupier	Rent (PSF)
2 Redman Place, E20	39,654	CEG UFP	Confidentia
Dane's Yard, 1 Sugar House Lane, E15	5,543	Stratford College London	£35.00
Harbour Island, Harbour Exchange Square, E14	3,839	Confidential	Confidential
Harbour Island, Harbour Exchange Square, E14	3,011	Confidential	Confidential

Knight Frank deals

INVESTMENT MARKET

						% Change		Long-term Average
£bn, % per annum	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	3M	12M	
Turnover	0.00 bn	0.00 bn	0.00 bn	0.00 bn	0.00 bn	-	-	0.11 bn
Availability	0.00 bn	0.00 bn	0.00 bn	0.33 bn	0.10 bn	-69.1%	-	0.07 bn
Under Offer	0.27 bn	0.28 bn	0.01 bn	0.00 bn	0.25 bn	-	-6.7%	0.03 bn
Yield*	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	5.58%

* percentage point difference from previous quarter/year



West End Overview

LEASING MARKET

m sq ft, % of stock	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	% Change 3M	% Change 12M	Long-term average
Take-up	0.90 m	1.07 m	0.84 m	0.85 m	0.93 m	9.6%	2.9%	1.05 m
Availability	7.14 m	7.41 m	7.10 m	7.27 m	7.58 m	4.3%	6.2%	6.20 m
Total Under Offer	0.66 m	0.87 m	0.91 m	0.75 m	1.28 m	70.7%	93.9%	-
Vacancy Rate*	7.5%	7.7%	7.4%	7.5%	7.7%	0.3%	0.3%	6.8%
New/Refurb Vacancy Rate	5.4%	5.7%	5.4%	5.5%	5.6%	0.1%	0.2%	3.2%
Active Requirements	2.04 m	1.92 m	1.93 m	1.96 m	1.98 m	1.1%	-2.6%	2.07 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
Network, 10 Howland Street, W1T	137,311	Databricks	£103.50
40 Broadway, SW1H	102,000	Formula One	Confidential
1 Triton Square, NW1	50,181	Gilead Sciences	£105.00 - £107.50
Lucent, 1 Sherwood Street, W1D	49,287	Verition Advisors	Confidential
The Pegasus, W1S	31,323	Sona Asset Management	Confidential

Knight Frank deals

INVESTMENT MARKET

£bn, % per annum	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	% Change 3M	% Change 12M	Long-term average
Turnover	1.57 bn	0.89 bn	1.17 bn	1.46 bn	1.06 bn	-27.6%	-32.5%	1.20 bn
Availability	2.27 bn	2.39 bn	2.54 bn	1.91 bn	3.30 bn	72.8%	135.4%	1.85 bn
Under Offer	1.04 bn	1.14 bn	1.21 bn	1.85 bn	1.34 bn	-27.5%	70.4%	0.94 bn
Yield*	3.75%	3.75%	3.75%	3.75%	3.75%	0.00%	0.00%	3.59%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
Wells & More, 45 Mortimer Street	£172m	£1,483	5.00%	Feldberg Capital UK Fastighets AB Balder
The Copyright Building, 25-33 Berners Street	£146m	£1,346	4.89%	Ares CLAS Copyright Limited
Horseferry House	£132m	£800	5.93%	Sinar Mas Land Limited
90 Whitfield Street	£110m	£1,050	5.00%	Lonestar LSREF VII Kent Investment Limited
22-23 Princes Street	£31m	£2,857	3.90%	Private Investor (APAC)

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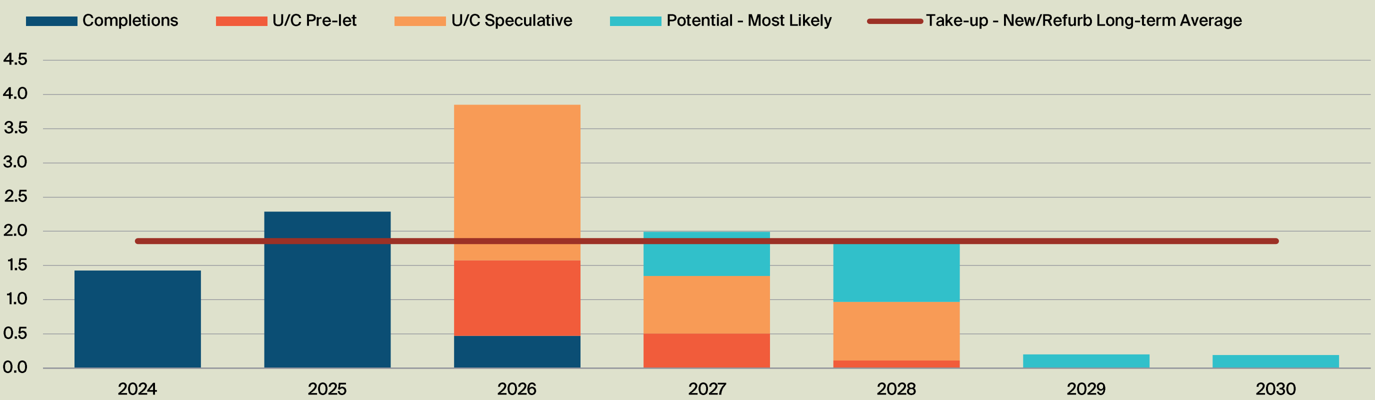
West End - Development Pipeline

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