London Offices Spotlight

Knight Frank

Q2 2026

A quarterly snapshot of the London office market.

knightfrank.co.uk/research

London Overview

3.1
m sq ft
Take-up

21.6
m sq ft
Availability

8.0
%
Vacancy rate

14.3
m sq ft
Active Requirements

£2.0
bn
Investment volumes

10.7
m sq ft
Under Construction (Spec)

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.

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

Submarket Key Indicators

Submarkets	New/Refurb Vacancy Rate	Vacancy Rate	Prime Rent	Quarterly Change	Rent Free Periods (Months)
Aldgate/Whitechapel	5.3%	9.6%	£57.50	◀▶	27
City Core	4.7%	6.1%	£102.50	◀▶	24
Clerkenwell/Farringdon	8.8%	12.8%	£92.50	◀▶	24
Midtown	4.9%	6.3%	£85.00	◀▶	27
Southbank Core	7.8%	9.0%	£90.00	◀▶	24-27
Vauxhall/Battersea	16.6%	17.5%	£60.00	◀▶	24-27
Canary Wharf	6.3%	9.4%	£62.50	▲	27-30
Rest of Docklands	5.1%	6.1%	£32.50	◀▶	30
Stratford	18.0%	24.6%	£48.50	◀▶	27
Bloomsbury	4.1%	7.4%	£87.50	▲	24-27
Fitzrovia	5.5%	8.3%	£102.50	◀▶	24
King's Cross/Euston	2.7%	3.0%	£97.50	▲	24-27
Knightsbridge/Chelsea	10.9%	12.5%	£102.50	◀▶	24-27
Marylebone	5.8%	7.2%	£115.00	◀▶	24
Paddington	3.8%	6.1%	£85.00	◀▶	24-27
Soho	3.4%	5.9%	£100.00	◀▶	24
Strand/Covent Garden	7.3%	8.7%	£92.50	◀▶	24-27
Victoria	5.6%	6.3%	£95.00	◀▶	24-27
West End Core	3.7%	5.8%	£185.00	◀▶	21
White City	11.5%	17.9%	£57.50	◀▶	24-27

Pre-let space under construction

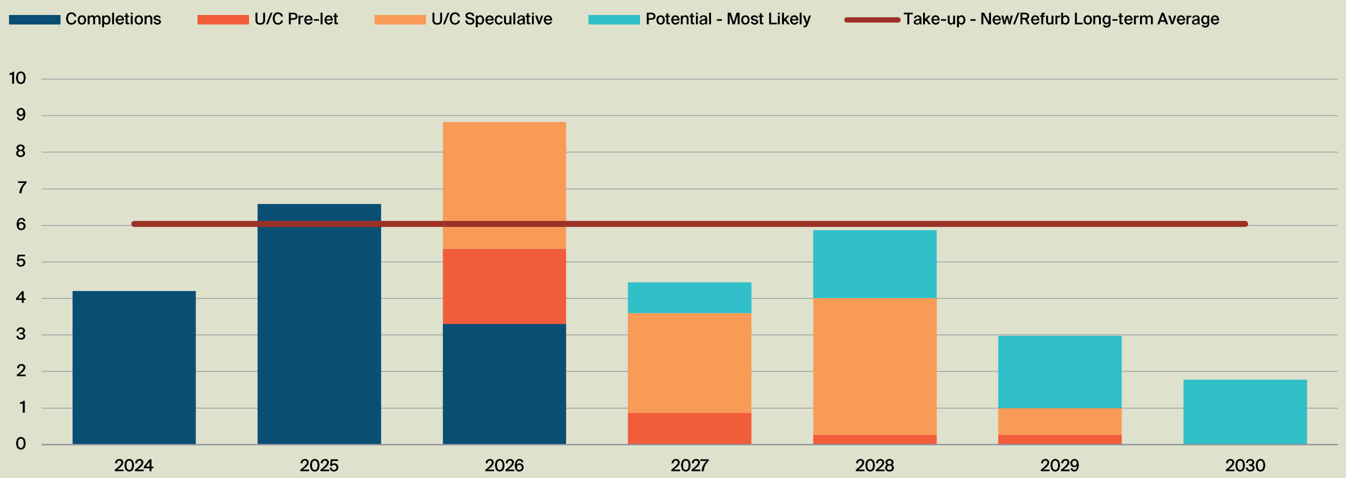
23.4%
City & Southbank
▼

0.0%
Docklands & Stratford
◀▶

29.8%
West End
▼

London - Development Pipeline

m sq ft



Source: Knight Frank Insight

City & Southbank Overview

LEASING MARKET						% Change		Long-term average
m sq ft, % of stock	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	3M	12M	
Take-up	2.09 m	1.57 m	2.02 m	1.51 m	1.36 m	-9.9%	-34.7%	1.55 m
Availability	12.64 m	13.54 m	12.84 m	12.51 m	11.90 m	-4.9%	-5.9%	10.44 m
Total Under Offer	2.59 m	1.53 m	2.17 m	1.78 m	2.42 m	11.5%	59.2%	-
Vacancy Rate*	8.8%	9.4%	8.9%	8.5%	8.1%	-0.4%	-0.7%	7.7%
New/Refurb Vacancy Rate	4.9%	5.5%	5.8%	6.2%	6.2%	0.0%	1.3%	4.2%
Active Requirements	4.49 m	6.12 m	7.56 m	7.14 m	9.26m	29.6%	105.9%	4.82 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
Thames Court, 1 Queenhithe, EC4	88,449	Natixis	£62.50-£92.50
DSQ10, 10 Devonshire Square, EC2	59,479	RPC Legal	£92.40
76 Southbank, SE1	44,808	Fora	£50.00
1-2 Broadgate, EC2	39,644	CIC	Confidential
200 Aldersgate, EC1	36,205	Runway East	Confidential

Knight Frank deals

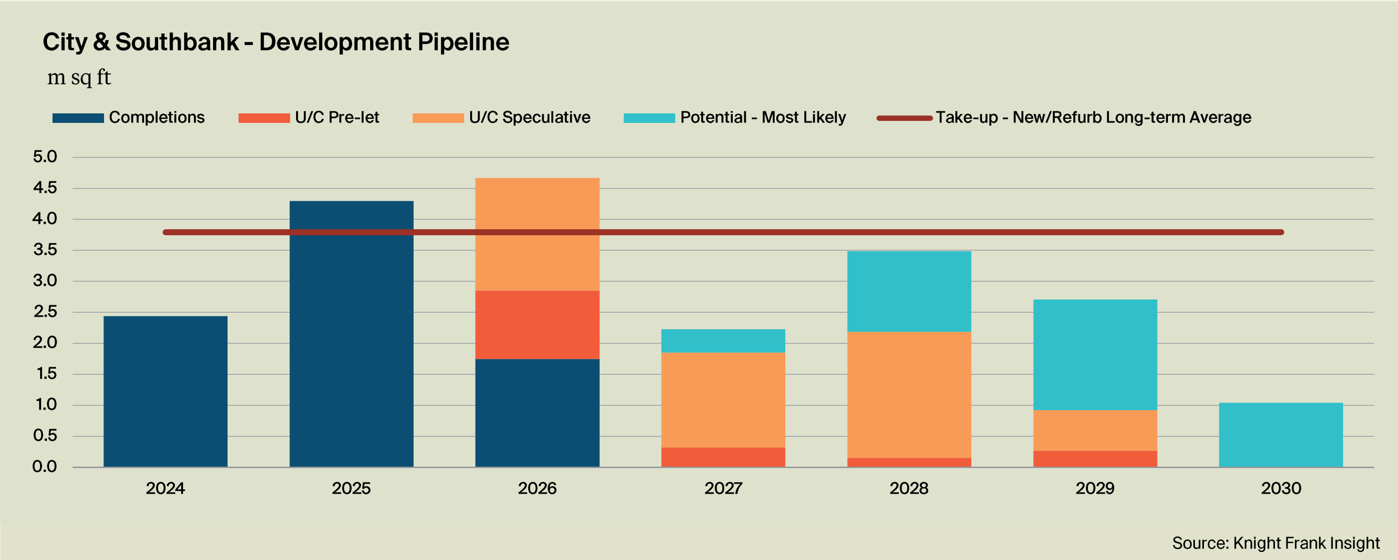
INVESTMENT MARKET						% Change		Long-term average
£bn, % per annum	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q1	3M	12M	
Turnover	1.11 bn	0.40 bn	1.79 bn	0.87 bn	0.37 bn	-57.4%	-66.6%	1.60 bn
Availability	1.56 bn	1.28 bn	1.15 bn	1.08 bn	1.74 bn	61.0%	11.5%	2.54 bn
Under Offer	0.99 bn	1.79 bn	1.20 bn	1.01 bn	0.54 bn	-47.0%	-46.0%	1.30 bn
Yield*	5.25%	5.25%	5.25%	5.25%	5.25%	0.00%	0.00%	4.54%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
Vintners Place, EC4	Confidential	Confidential	Confidential	Confidential
55 Old Broad Street, EC2	£63.0m	£208	-	Ashby Capital
Sun Street Estate, EC2	£28.0m	£632	6.7%	Bridge Real Estate Group
20-23 Watling Street, EC4	£27.0m	£891	6.2%	CLI Dartriver
Garden House, 21 Austin Friars, EC2	£21.0m	£478	-	Lugus Capital

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



Docklands & Stratford Overview

LEASING MARKET

m sq ft, % of stock	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	% Change 3M	% Change 12M	Long-term average
Take-up	0.37 m	0.30 m	0.44 m	0.05 m	0.31 m	493.0%	-16.7%	0.19 m
Availability	3.21 m	3.28 m	2.91 m	2.82 m	2.73 m	-3.1%	-15.0%	2.95 m
Total Under Offer	0.36 m	0.28 m	0.45 m	0.56 m	0.44 m	-2.2%	83.3%	-
Vacancy Rate*	12.6%	12.8%	11.4%	11.0%	10.7%	-0.3%	-1.9%	11.3%
New/Refurb Vacancy Rate	7.2%	7.3%	6.8%	6.8%	7.5%	0.7%	0.3%	5.3%
Active Requirements	0.28 m	0.52 m	0.07 m	0.26 m	0.43 m	67.7%	56.6%	0.48 m

* percentage point difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
1 Cabot Square, E14	89,999	JP Morgan Chase	Confidential
The Columbus Building, 7 Westferry Circus, E14	47,716	Just Group	Confidential
HQ, 1-5 Bank Street, E14	32,460	Fuse Energy PM	£57.50
YY London, 30 South Colonnade, E14	31,158	Revolut	Confidential
YY London, 30 South Colonnade, E14	31,102	Hitachi Rail	Confidential

Knight Frank deals

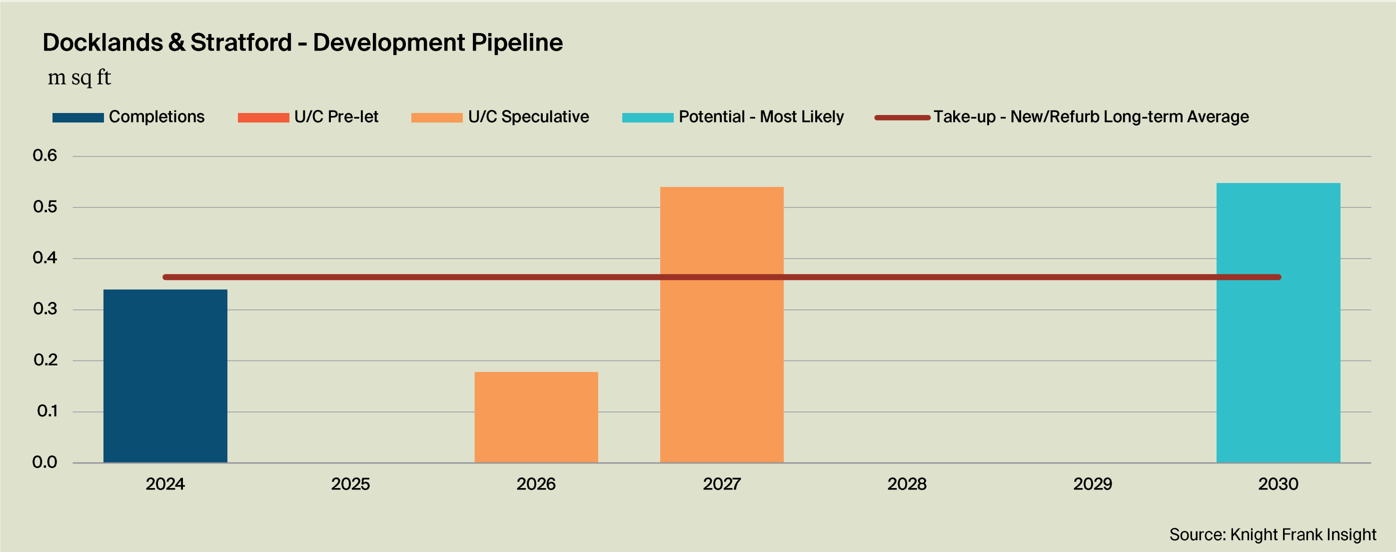
INVESTMENT MARKET

£bn, % per annum	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	% Change 3M	% Change 12M	Long-term Average
Turnover	0.00 bn	0.00 bn	0.00 bn	0.00 bn	0.75 bn	-	-	0.12 bn
Availability	0.00 bn	0.00 bn	0.33 bn	0.10 bn	0.26 bn	153.5%	-	0.08 bn
Under Offer	0.28 bn	0.01 bn	0.00 bn	0.25 bn	0.25 bn	-	-10.1%	0.04 bn
Yield*	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	5.64%

* percentage point difference from previous quarter/year

KEY INVESTMENT DEALS

Building	Price (m)	Capital value (PSF)	Yield	Purchaser
1 Churchill Place, E14	£750.0m	£740	5.62%	Barclays



West End Overview

LEASING MARKET

m sq ft, % of stock	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	% Change 3M	% Change 12M	Long-term average
Take-up	1.07 m	0.84 m	0.85 m	0.93 m	1.41 m	52.3%	31.5%	1.06 m
Availability	7.41 m	7.10 m	7.27 m	7.58 m	6.96 m	-8.3%	-6.1%	6.24 m
Total Under Offer	0.87 m	0.91 m	0.75 m	1.28 m	0.92 m	-28.1%	5.7%	-
Vacancy Rate*	7.7%	7.4%	7.5%	7.7%	7.0%	-0.7%	-0.7%	6.8%
New/Refurb Vacancy Rate	5.7%	5.4%	5.5%	5.6%	5.3%	-0.3%	-0.4%	3.3%
Active Requirements	1.92 m	1.93 m	1.96 m	1.98 m	3.37 m	69.9%	75.4%	2.09 m

* difference from previous quarter/year

KEY LEASING DEALS

Building	Sq ft	Occupier	Rent (PSF)
1 Triton Square, NW1	158,138	Anthropic	£97.50 (blended)
Jahn Court, 34 York Way, N1	89,975	OpenAI	£97.00 (blended)
1 Rathbone Square, W1	67,949	United Talent Agency	£82.24
1 Rathbone Square, W1	53,847	Convene	£44.95
Belvedere South, 151 Buckingham Palace Road, SW1	41,787	Sierra AI	£88.50

Knight Frank deals

INVESTMENT MARKET

£bn, % per annum	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	% Change 3M	% Change 12M	Long-term average
Turnover	0.89 bn	1.17 bn	1.46 bn	1.06 bn	0.91 bn	-14.0%	2.7%	1.19 bn
Availability	2.39 bn	2.54 bn	1.91 bn	3.30 bn	2.64 bn	-20.1%	16.1%	1.89 bn
Under Offer	1.14 bn	1.21 bn	1.85 bn	1.34 bn	1.79 bn	33.1%	72.0%	0.97 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
Stirling Square, Carlton Gardens, SW1	£215.0m	£2,298	5.27%	Deka
14 St George Street, W1	£170.0m	£3,278	3.44%	The Brennan Family
The Point, North Wharf Road, W2	£125.0m	£1,095	6.38%	Generali
19-21 Old Bond Street, W1	£92.5m	£3,964	3.80%	Titan Investors
170 New Bond Street, W1	£62.0m	£14,769	2.70%	Private Investor (US)

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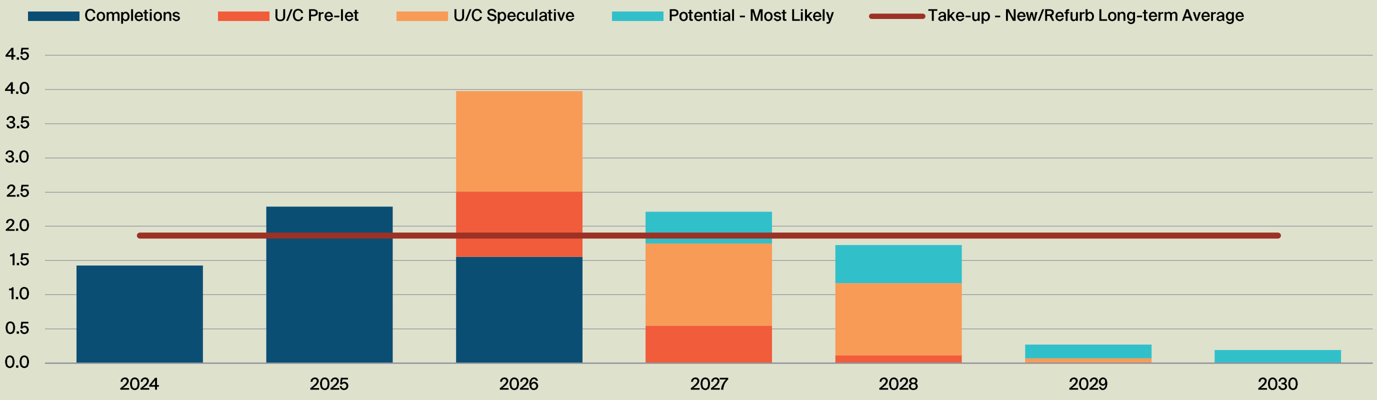
West End - Development Pipeline

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

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