CENTRAL LONDON REPORT

MARKETBEAT – Q4 2021

CUSHMAN & WAKEFIELD

SUMMARY

A total of 2.7m sq ft was transacted during the fourth quarter of 2021 across Central London. This brought the total year leasing volume to 8.6 million sq ft, 93% above last year (4.4 million sq ft) and 12% below the five-year annual average of 9.77 million sq ft.

The COVID-19 pandemic has continued to have an impact on the Central London office market throughout 2021 with the emergence of new variants and the government's decision to intermittently reinforce mandatory work-from-home orders. However in 2021, there was a total of 431 transactions that completed, a 62% improvement on 2020. Of these deals 16 were in the 100k sq ft+ bracket, 36 in total were above 50k sq ft - concluding a significant improvement on the previous year (10 deals) and 11% higher than the five-year average of 34 deals.

There were fourteen transactions in excess of 50,000 sq ft in Q4 2021, of which the largest transaction saw legal firm Allen & Overy pre-let 267,000 sq ft at 1 Broadgate, EC2M. A further 2.98m sq ft remains under offer going into 2022, showing a continued appetite for office space.

Total availability, of both new and second hand space, continued its increase for another consecutive quarter to stand at 23.4 million sq ft, reflecting a vacancy rate of 8.27%. Newly built/refurbished stock accounted for 48% of total supply at the end of December, equating to 11.3 million sq ft.

A total of 1.5 million sq ft was added to supply in Q4, however tenant release space has slowed significantly over the quarter declining by 18%. Total availability is now 30% above the same period last year (18.2 million sq ft) and 54% ahead of the five-year quarterly average of 15.3 million sq ft.

"2021 made evident the growing need for high quality office space to encourage employees to return to work"

Central London investment increased by 62% in Q4 to total £5 billion. This took investment for 2021 to £12.5 billion, 39% above 2020 but remaining 14% below the five-year average. This was largely as a result of limited investment during the first three months of the year, which subdued the annual total.

The market has noticeably rebounded during the final three months of 2021 – as evidenced by the significant quarterly, and annual, rise in volumes. This was also the highest Q4 volume since 2017, showing extremely positive signs for the market as we enter 2022.

The City market accounted for the largest volume of investment, both in Q4 (£2.7 billion) and across the full year (£6.9 billion). In the West End, £5.1 billion traded in 2021, of which £1.9 billion took place in Q4. In East London, £442 million trading during Q4 with no other transactions taking place the rest of the year.

North American investors were the most active, both in Q4 and across the whole year, taking a share of 44% and 34% respectively. UK purchasers were also active, accounting for 28% of total turnover in Q4 and 23% across 2021.

Prime yields were 3.75% in the City market whilst prime yields in the West End remained at 3.50%.

2021 Q4 take-up stood at 2.7 million sq ft

6% above the five-year Q4 average

38

Number of transactions signed over 25,000 sq ft in 2021 Q4

Fourteen were in excess of 50,000 sq ft

2.98 million sq ft under offer across London at end of December

1% above the five-year quarterly average

6.8 million sq ft speculatively under construction

49% of space is pre-let or under offer

2021 Q4 investment volumes totalled £5 billion

Full-year volumes reached £12.5 billion

Prime yields across London

3.75% City **3.50%** West End

OUTLOOK

The second half of 2021 has shown clear evidence of a post-pandemic rebound for the London office market, with take-up levels markedly rising and space under offer in line with, or exceeding, the five-year quarterly average.

The flight to quality is becoming ever more apparent, and as Covid-19 measures begin to relax once more, we are again noticing many of the same trends that were witnessed at the start of 2021 – the requirement for high quality office space to encourage employees to return to work and accommodation which moves away from traditional layouts to inspire employee collaboration whilst maintaining safety in the post-Covid way of living. This was clearly evident across both Q4 and 2021 as a whole, with Grade A space accounting for 66% and 61%, of total take-up for those periods respectively.

However on the other side of the coin, future developments including many large schemes, both currently under construction or in the pipeline, are being delayed. Furthermore, some developers are unwilling to commit to construction starts without securing pre-lets, resulting in schemes being delayed. This reduction in future new supply, coupled with strong demand for newly built or refurbished space, saw Grade A supply levels reduce across many of London's submarkets during Q4.

The latest labour market indicators for the UK are encouraging and support this recovery story. In its latest release, data from the Office for National Statistics saw the UK's employment rate reach 75.5% at the end of November 2021, increasing for the tenth consecutive month and depicting a sharp V-shaped trend. Additionally, the unemployment rate which peaked at 5.3% in December 2020 has fallen in each of the subsequent periods to reach 4.2% in November 2021.

Looking at the London economy, data from Moody's analytics saw GDP contract by 5.9% in 2020 before a strong recovery of 8.8% in 2021. This is extremely positive despite being below the mid-2021 predictions of 9.5%. Growth is expected to continue in both 2022 and 2023, although the pace is likely to slow. Expansion of 5.5% is predicted for 2022 in London, ahead of the 4.9% expected for the UK, likewise for 2023 with GDP growth levels of 4.9% and 3.1% respectively.

Although economic and London office market fundamentals point to an improvement, demand for 2022 is likely to fall below the long-term averages, as the market continues to offset the losses sustained during the various lockdowns of the last two years. As has been the case through much of 2021, pre-letting of space will be a key driver for occupational activity.

The rising rental levels across the core markets of London are another indictor of strong demand in the occupier market, while tightening yields paint a similar picture for the investment market. We estimate rents to increase by, on average, 4.7% in 2022. While yields are forecast to tighten by 25 basis points in both the City and West End markets.

"Rising rental levels across the core markets of London are another indictor of strong demand in the occupier market, while tightening yields paint a similar picture for the investment market"

5.5% Projected Inner London GDP growth in 2022

4.6% Projected Inner London GDP growth in 2023

4.9% Projected UK GDP growth in 2022

3.1% Projected UK GDP growth in 2023

Source: Moody's Analytics (January 2022)

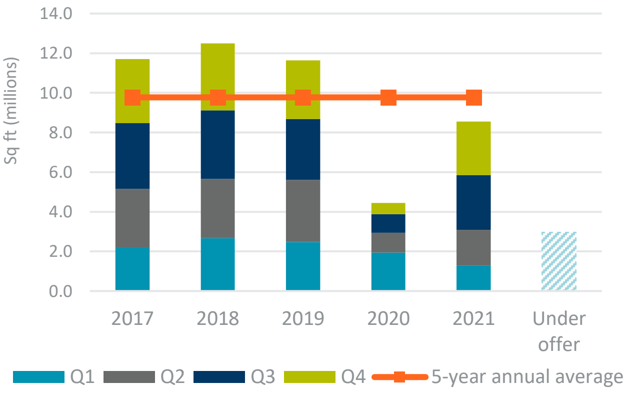
CENTRAL LONDON OVERVIEW

TAKE-UP

Central London take-up totalled 2.7 million sq ft during Q4, a marginal decline of 3% on Q3 but almost five times higher than Q4 2020 when 568,000 sq ft of take-up was recorded, marking the low point of the Covid period. Leasing in Q4 2021 was also 10% above the five-year quarterly average.

Grade A space accounted for 67% of total take-up in Q4, up from 65% during Q3 and the fifth consecutive quarter in which the proportion has increased. This was also the highest quarterly proportion of Grade A take-up since Q3 2018.

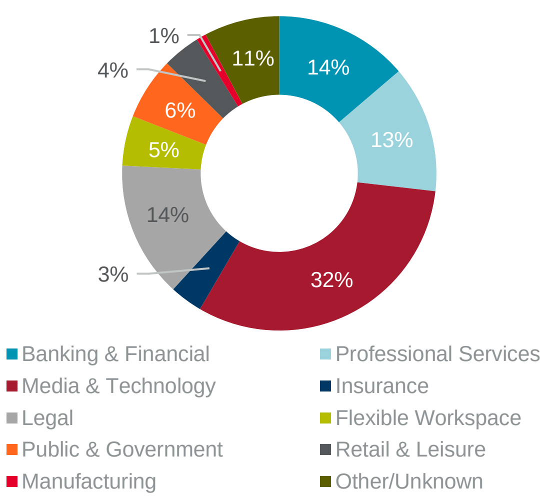
LEASING VOLUMES – 2017-2021



Legal firm Allen & Overy were responsible for the largest deal of the quarter, pre-letting 267,500 sq ft at 1 Broadgate, EC2, which is currently under construction and due to complete in 2026.

Furthermore, the Daily Mail Group have taken two new leases – 9 Derry Street, W8 (125,000 sq ft) on a temporary two-year lease while refurbishment works complete at 2 Derry Street, W8, where they have taken 109,000 sq ft to commence in 2023.

TAKE-UP BY SECTOR – 2021 Q4



Media & tech occupiers were once again the most active during Q4, accounting for 32% of total take-up and fuelled by six transactions in the 50,000 sq ft+ size bracket. The banking & financial, legal and professional services sectors were also relatively active, taking a 14%, 14% and 13% share respectively.

The volume of space under offer in the market as at the end of Q4 declined by 12% on Q3 to total 2.98 million sq ft. This was 0.5% and 11.9% above the five and ten-year quarterly averages respectively. Of this, almost 75%, or 2.2 million sq ft, was for Grade A space.

KEY OCCUPIER TRANSACTIONS – 2021 Q4

ALLEN & OVERY	Daily Mail	itv
1 BROADGATE, EC2	9 & 2 DERRY STREET, W8	BROADCAST CENTRE, WHITE CITY PLACE, W12
267,500 SQ FT	125,000 & 109,000 SQ FT	125,000 SQ FT
City Core	Kensington	White City
Pre-let	New Lease	New Lease

SUPPLY

Central London supply increased for the eleventh consecutive quarter to 23.4 million sq ft by the end of 2021, a 6% increase over the quarter and up by 29% throughout the year. This took the vacancy rate up to 8.27%, with Grade A vacancy at 3.99%. The overall vacancy rate is now at its highest level since Q4 2004, however this still remains low when comparing it against other major European and global office centres.

At the end of December, a total of 11.3 million sq ft of newly built or refurbished space was being marketed, equating to 48% of total supply. Of this new space, and excluding units which are currently under offer, 23 units are able to satisfy a requirement of 100,000 sq ft or larger, of which three are available via pre-lets ready for accommodation by mid-2022.

A further 26 units are able to accommodate occupiers looking for between 50,000 and 100,000 sq ft, seven of which would be pre-lets available within the next six months.

As Grade A space becomes increasingly sought after, we expect the volume of such available space to begin to decrease over the coming year. With new supply set to increase by 3 million sq ft in 2022, excluding already pre-let space, demand from occupiers seeking quality new accommodation will be high.

CENTRAL LONDON OVERVIEW

FUTURE SUPPLY

There is currently 13.4 million sq ft of office space currently under construction and due to be delivered over the next five years, of which 6.1 million sq ft is due to complete in 2022. As at the end of 2021, 51% (3.1 million sq ft) of 2022 deliveries were either pre-let or under offer.

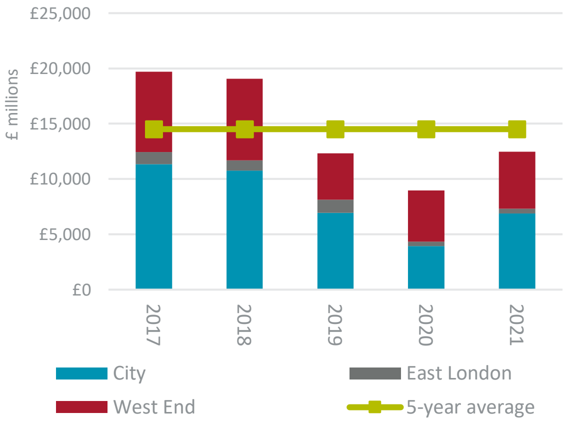
In 2024 and beyond, the pipeline of office space is noticeably reducing. Many prospective developments sit firmly in the “probable” category, where for example planning has been secured but construction not yet having commenced. In many cases with further slippage likely, schemes will be pushed back further until pre-lets have been secured.

INVESTMENT

Across Central London, £5 billion was transacted in the final quarter of 2021, increasing by 62% from Q3 2021 when investment totalled £3.1 billion.

Activity in the City market accounted for the highest proportion, both in Q4 (£3.1 billion) and across the full year (£7.3 billion). This compared against the West End, where £1.9 billion and £5.1 billion worth of transactions occurred in Q4 and the whole year respectively. Activity in East London totalled £441.5 million in Q4, with no other deals recorded during the rest of the year.

INVESTMENT VOLUMES – 2017-2021



During Q4, there were 69 deals in total, 19 of which were in excess of £100 million, while 11 were between £50 million and £100 million. American firm Omnicom were responsible for the largest deal of the quarter, acquiring 2 & 3 Bankside, SE1 – a building in which they already occupy space – for £440 million (4.5% NIY).

Other deals of note include ARA Dunedin’s purchase of Marble Arch Place, W1 for £280 million; Brookfield’s acquisition of 20 Churchill Place, E14 for £245 million; and Hines acquiring a two acre site at 18 Blackfriars Road, SE1 for £220 million.

KEY INVESTMENT TRANSACTIONS – 2021 Q4

2 & 3 BANKSIDE, SE1

£440m

Purchaser: Omnicom
Vendor: DWS

MARBLE ARCH PLACE, W1

£280m

Purchaser: ARA Dunedin AM
Vendor: Almacantar

20 CHURCHILL PLACE, E14

£245m

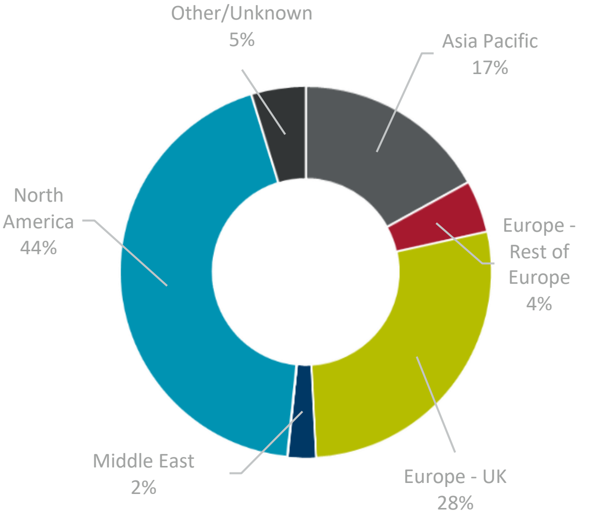
Purchaser: Brookfield
Vendor: M&G

The average lot size for Central London overall reached £72.53 million in the final quarter of 2021, marginally below the £73.72 million recorded Q3 2021. Looking across the whole year, the average transaction size was £70.78 million, compared with £71.16 million in 2020.

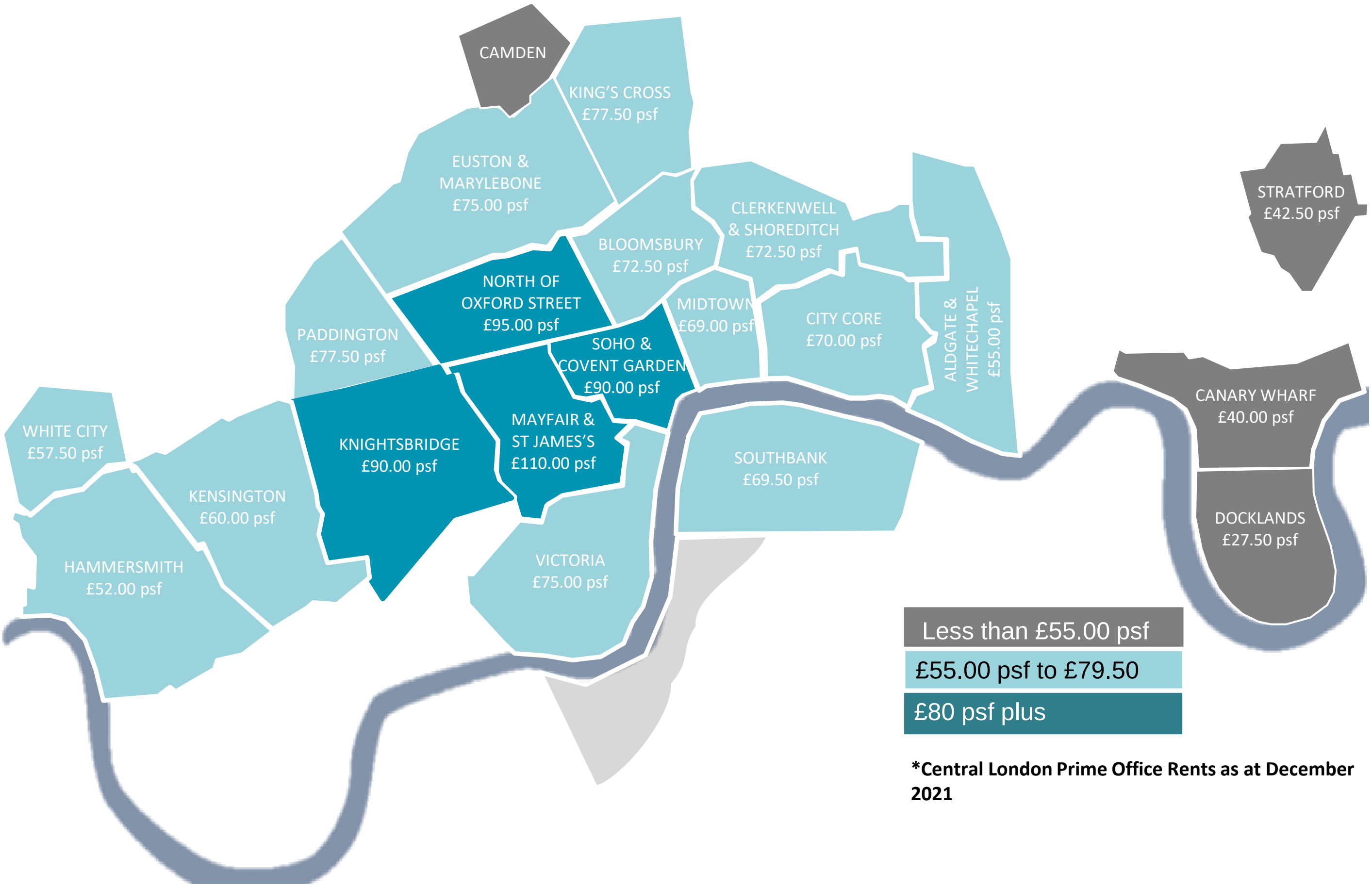
The vast majority of capital in Q4 came from North American purchasers, who were involved in seven out of the ten largest transactions, accounting for 44% of Q4 turnover. This was followed by domestic UK buyers (28%) and purchasers from the Asia Pacific region (17%).

There was an estimated £2 billion of assets on the market across Central London as at the end of Q4. The decline on the £3.8 billion worth of available assets in Q3 reflects the sustained shortage of investment stock in the market, which continues to subdue activity. However as Q4 has shown, investor sentiment is improving as the market shows signs of post-pandemic recovery. There were an additional £2 billion of assets under offer during the same period, which should help to bolster investment turnover over the next six months.

INVESTMENT BY PURCHASER ORIGIN – 2021 Q4



PRIME RENTS



***Central London Prime Office Rents as at December 2021**

Prime rents in Central London have either **improved or remained stable** over the quarter across all but one submarket

Prime rents have increased by an average of 4.7% over the last 12 months, and are forecast to rise by, on average, a further 5.6% in the core markets throughout 2022.

Average annual rental change across London markets

- City – average annual change of **7.1%**
- East London – average annual change of **0.0%**
- West End – average annual change of **4.6%**

Vacancy rates have reached their highest level since Q4 2004, although in a global context, rates remain substantially lower.

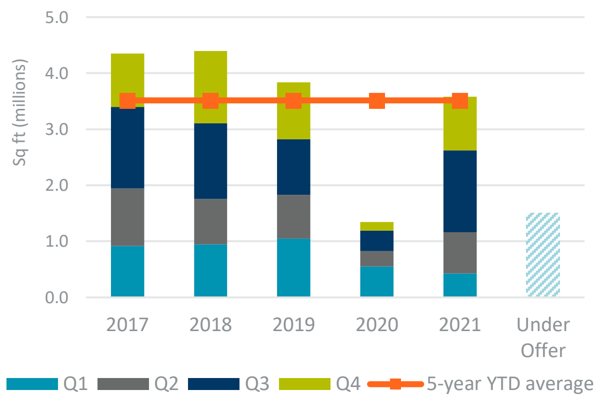
WEST END OVERVIEW

TAKE-UP

Take-up in the West End reached 957,000 sq ft in the final quarter of 2021, which was 9% above the five-year quarterly average.

West End total take-up in 2021 was an improvement of 160% on 2020, totalling close to 3.6 million sq ft, and rose 2% above the 5-year annual average.

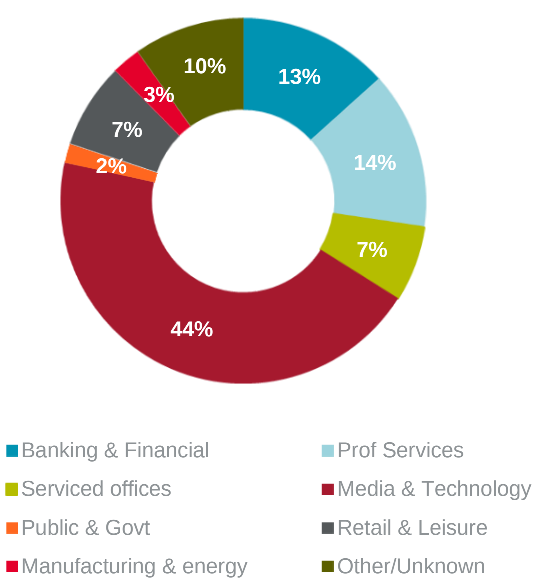
LEASING VOLUMES – 2017-2021 Q4



Notable leasing transactions during the quarter included ITV's acquisition of 125,000 sq ft at White City Place, W12 and Daily Mail's two new leases, one a temporary two-year lease and the second for long-term occupation, at 9 and 2 Derry Street in Kensington amounting to a combined 234,000 sq ft.

The media & technology sector accounted for the largest share of 2021 Q4 take-up with a 44% share of leasing volumes, professional services accounting for a further 14%.

TAKE-UP BY SECTOR – 2021 Q4



There were three pre-let transactions in the West End during Q4, a total of 130,000 sq ft. The largest pre-let deal of Q4 was 96,500 sq ft at 70 Berners Street, to Gamesys.

The total volume of space under offer at the end of September increased to 1.5m sq ft, which was 45% above the five-year average.

The average transaction size during the fourth quarter of 2021 was 19,995 sq ft, and there was a total of 66 deals that concluded between October and December.

KEY OCCUPIER TRANSACTIONS – 2021 Q4

Daily Mail	ITV	Gamesys
9 & 2 DERRY STREET, W8	BROADCAST CENTRE, WHITE CITY PLACE, W12	70 BERNERS STREET, W1T
125,000 & 109,000 SQ FT	125,000 SQ FT	96,500 SQ FT
Kensington	White City	Fitzrovia
New Lease	New Lease	Pre-Let

SUPPLY

There was an increase in supply in the West End over the quarter, with 7.7 million sq ft available at the end of December. Supply levels have risen by 36% in the last twelve months, resulting in the vacancy rate moving to 6.59%.

Newly built or refurbished space accounted for 50% of total supply at the end of December, representing a Grade A vacancy rate of 3.30%.

Across the West End there were eight buildings able to satisfy an immediate requirement in excess of 100,000 sq ft, six of which were Grade-A space.

WEST END OVERVIEW

FUTURE SUPPLY

Across 2021 a total of 2.4 million sq ft of space was delivered in the West End, 20% of which was completed speculatively, contributing to current supply.

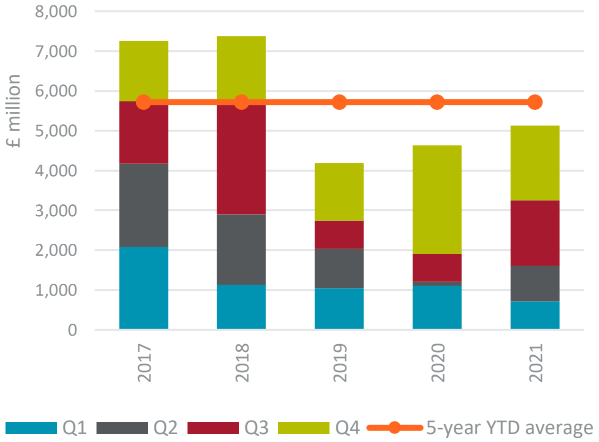
The development pipeline for the next five years continues to be constrained, with the strong pre-letting activity limiting potential increases in Grade A supply levels.

At the end of December 2021, 2.5 million sq ft of space currently under construction was pre-let or under offer, leaving 2.3 million sq ft of speculative space under construction, all due for delivery within the next five years.

Looking just at 2022, 1.8 million sq ft is currently under construction, of which 47% is likely to complete speculatively. Similar proportions are expected for schemes due to complete in 2023, whereby 48%, or 1.2 million sq ft is currently expected to be delivered speculatively.

INVESTMENT

INVESTMENT VOLUMES – 2017-2021



In the West End, investment volumes increased by 14% over the quarter to total £1.9 billion in Q4. This took the full-year total to £5.1 billion, an 11% rise on volumes achieved in 2020 and the highest annual total since 2017, but 10% below the five-year annual average.

There were eight transactions above £100 million during Q4, and another four between £50 and £100 million. The average deal size declined slightly to £56.89 million.

KEY INVESTMENT TRANSACTIONS – Q4 2021

MARBLE ARCH PLACE, W1

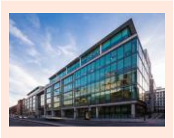
£280m

Purchaser: ARA Dunedin AM
Vendor: Almacantar

60 SLOANE AVENUE, SW3

£200m

Purchaser: Bain Capital
Vendor: The Holy See



BELGRAVE HOUSE, SW1

£155m

Purchaser: Nuveen
Vendor: Grosvenor

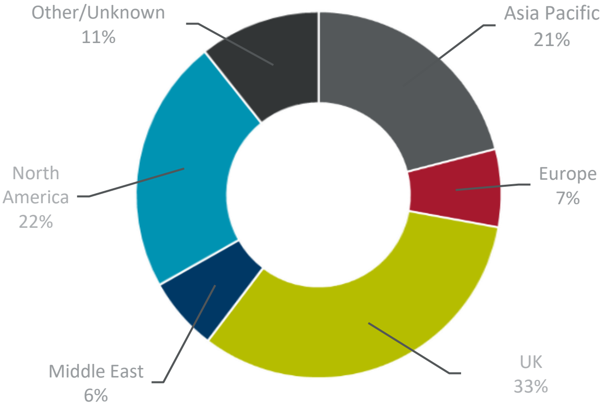
ARA Dunedin were involved in the largest deal of the quarter – the £280 million acquisition of Marble Arch Place, W1, reflecting a 4.18% NIY. Other deals of note include Bain Capital's purchase of 60 Sloane Avenue, SW3 for £200 million; Nuveen acquiring Belgrave House, SW1 for £155 million; and KKR purchasing Heal's, 196 Tottenham Court Road for £117 million.

Domestic buyers were the most active, both in the quarter and throughout 2021. In Q4, they accounted for 32% of total investment volumes, and 30% across the whole year. They were followed by North American purchasers, who took a 22% share during Q4, and 21% in 2021.

The amount of available investment stock across the West End totalled around £890 million at the end of 2021, and a further £680 million was under offer.

Prime West End yields were unchanged at 3.50% at the end of Q4 2021, reinforcing the continued strengthening in demand for assets across core areas of London.

INVESTMENT BY PURCHASER ORIGIN – 2021 Q4

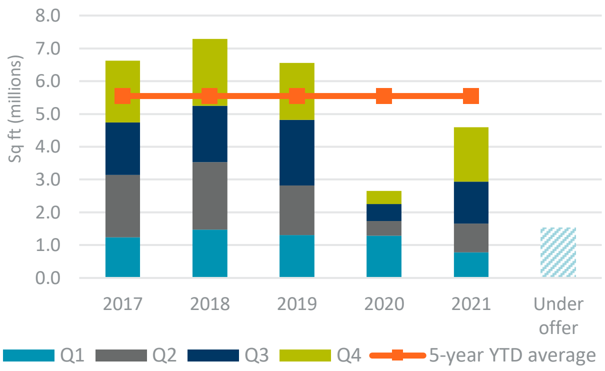


CITY OVERVIEW

TAKE-UP

A total of 2.7 million sq ft was transacted during the fourth quarter of 2021 across Central London of which 1.53 million sq ft took place in the City market. This brought the total year leasing volume in the City to 4.6 million sq ft, 74% above last year (2.6 million sq ft). Take-up annual overall in the City fell 17% below the five-year annual average of 5.5 million sq ft.

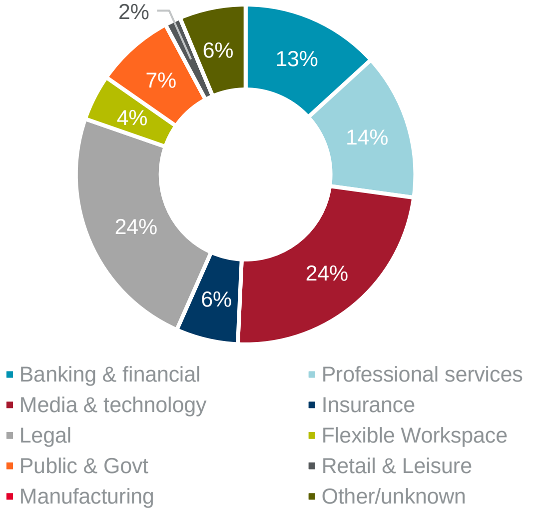
LEASING VOLUMES – 2017-2021



Pre-letting activity continued to dominate the leasing market throughout 2021, accounting for 24% of transaction volumes. The quarter saw more large pre-let deals in the City, with three deals exceeding 50,000 sq ft. Allen & Overy signed a lease for 267,500 sq ft at 1 Broadgate this quarter, making it the largest pre-let of 2021. Elsewhere, Snapchat took 115,000 sq ft at Bloom Clerkenwell, and Cognizant Worldwide pre-let 52,000 sq ft Duo, 280 Bishopsgate.

Other notable leasing transactions during the quarter included BPP Holdings taking 84,000 sq ft at 1 Portsoken Street, E1 and a confidential occupier leasing 78,500 sq ft at 22 Bishopsgate, EC2.

TAKE-UP BY SECTOR – 2021 Q4



The legal sector was again the most dominant in terms of taking space in the City during Q4, accounting for 24% of total leasing volumes. Media & tech occupiers were the next most active, took a further 24% share of City office space during the quarter.

Space under offer decreased quarter-on-quarter to 1.53 million sq ft at the end of December. Total space under offer has shifted 7% below the five-year quarterly average of 1.65 million sq ft but was 6% higher than the 1.4 million sq ft that was under offer at the end of December 2020.

KEY OCCUPIER TRANSACTIONS – Q4 2021

ALLEN & OVERY	Snapchat	BPP UNIVERSITY
1 BROADGATE, EC2	**BLOOM CLERKENWELL, FARRINGDON ROAD, EC1**	**LLOYD'S CHAMBERS, 1 PORTSOKEN STREET, E1**
267,500 SQ FT	**115,000 SQ FT**	**84,000 SQ FT**
City Core	Clerkenwell	Aldgate & Whitechapel
Pre-let, Under Construction	Pre-let, Under Construction	New Lease

SUPPLY

Availability in the City fell this quarter for the first time since Q4 2018 albeit marginally, decreasing by 0.4% to reach 12.3 million sq ft at the end of Q4. This figure reflecting a vacancy rate of 8.63%.

Supply at the end of the quarter represented a figure that was 53% above the 5-year quarterly average.

Second-hand supply accounted for 50% of total supply at the end of December.

There are at present fourteen Grade A units that are capable of accommodating a requirement in excess of 100,000 sq ft. Of these, three can accommodate over 200,000 sq ft: 22 Bishopsgate, EC2; the Sancroft building at Paternoster Square, EC4; and Hylo, Bunhill Row, EC1.

CITY OVERVIEW

FUTURE SUPPLY

As at the end of 2021, 2.3 million sq ft of office space had completed in the City, of which 68% (1.6 million sq ft) was delivered speculatively. This was the highest proportion of speculatively delivered space since 2012.

Looking ahead, the City market has a total of 4.77 million sq ft of speculative space under construction due for delivery over the next five years. During the same period, a further 3.76 million sq ft of under construction space has been pre-let or is currently under offer.

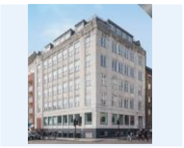
In 2022, 3.88 million sq ft is under construction, with 45% having already been pre-let. We anticipate the level of remaining speculative space available for occupancy to reduce as the year progresses, with this new Grade A space an attraction for both existing and new occupiers to the market.

KEY INVESTMENT TRANSACTIONS – Q4 2021

2 & 3 Bankside, SE1

£440m

Purchaser: Omnicom
Vendor: DWS



The Clerkenwell Collection, EC1

Approx. £190m

Purchaser: Nuveen
Vendor: Private

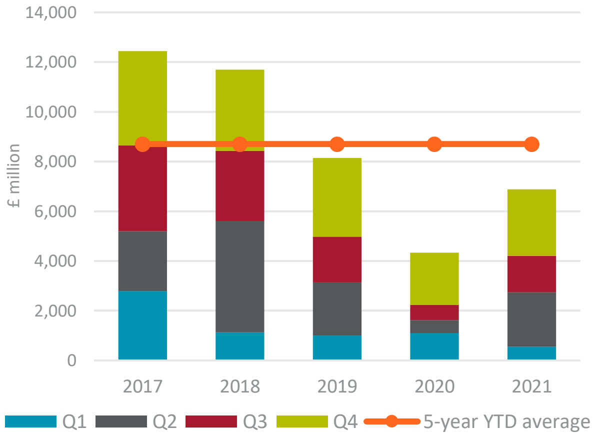
160 Old Street, EC1

£181.5m

Purchaser: JP Morgan AM
Vendor: Great Portland Estate

INVESTMENT

INVESTMENT VOLUMES – 2017-2021



The investment market across the City markedly improved in Q4 2021, with £2.7 billion transacted. This was an increase of 84% on Q3, and took full-year volumes to £6.9 billion. Although 2021 City investment remains below the high volumes achieved in the years prior to 2019, and was 69% below the five-year average of £8.7 billion, the increase points to improved investor sentiment.

There were 34 deals in total, of which nine transactions occurred in the £100 million+ price category. However despite this increase in larger value deals, the average lot size has decreased from £97.12 million to £78.99 million.

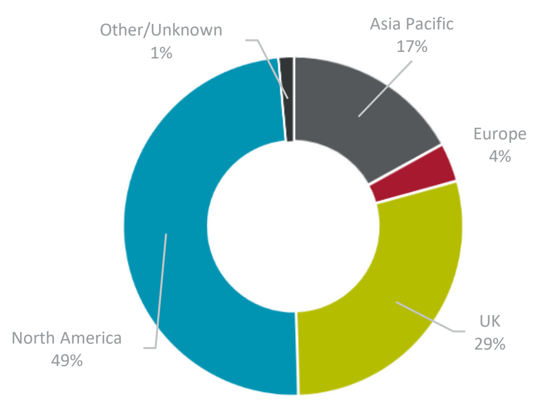
The largest deal of the quarter was Omnicom's acquisition of 2 & 3 Bankside, SE1. Other deals of note include the acquisition of The Clerkenwell Collection for a reported £190 million, and JP Morgan's purchase of 160 Old Street, EC1 for £181.5 million.

North American investors were dominant in Q4, accounting for 49% of total investment volumes, followed by UK purchasers (29%). Across the full year, North American purchasers were the most active (38%), followed by European purchasers (21%) and UK buyers (20%).

There was around £1 billion of assets, with guide prices in excess of £10 million, available in the City investment market at the end of Q4. A further £1.2 billion of assets were under offer, most of which look to complete some time within the first half of 2022.

At the end of 2021, prime City yields stood at 3.75%. Although this was unchanged from Q3 2021, yields in the city have tightened by 25 basis points in 2021. This, together with strong investor sentiment and the continued relaxation of Covid-19 measures, is showing positive signs for the investment market in 2022.

INVESTMENT BY PURCHASER ORIGIN – 2021 Q4

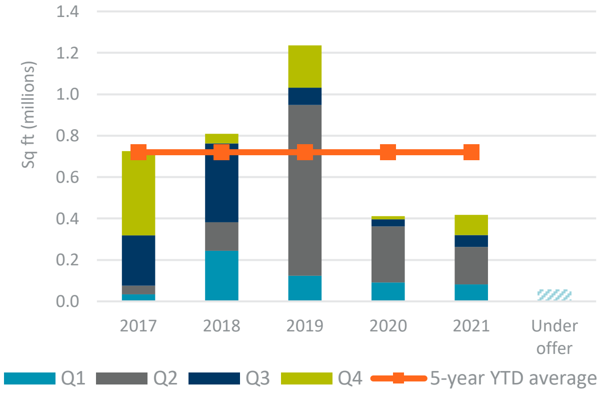


EAST LONDON OVERVIEW

TAKE-UP

During Q4, leasing activity across East London increased by 72% on Q3 with take-up totalling 97,290 sq ft. This was close to seven times higher than Q4 2020, and took full year volumes to 417,174 sq ft, up by 2% on 2020. When comparing both the quarterly and annual totals against their five-year respective averages, Q4 2021 was 46% lower, and 2021 was down by 42%.

LEASING VOLUMES – 2017-2021

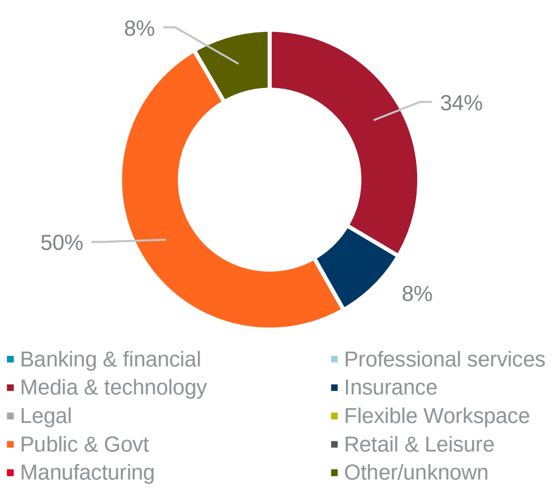


Two major transactions in the Export Building, E14, helped to bolster the quarterly totals. LCA Education signed for 24,229 sq ft on fifth floor, while York St John University acquired 24,233 sq ft on the sixth.

Due to these deals, the public services and government sector took the largest share of take-up in Q4 at 50%, followed by media and technology occupiers (34%).

Looking at the year as a whole, the media and technology sectors were the most active taking a 44% share of take-up, following by public and government (23%) and banking and finance (18%).

TAKE-UP BY SECTOR – 2021 Q4



There was 57,755 sq ft under offer as at the end of December 2021, on par with levels seen at the end of Q3. Despite this being 78% below the five-year quarterly average, the levels remain positive given the drastic fall in take-up and under offers since the beginning of the pandemic and points to steady improvement for transactions in Q1 2022.

KEY OCCUPIER TRANSACTIONS – 2021 Q4

York St John University	LCA Education	China Telecom
EXPORT BUILDING, EAST INDIA DOCK ROAD, E14	EXPORT BUILDING, EAST INDIA DOCK ROAD, E14	EXCHANGE TOWER, 1 HARBOUR EXCHANGE SQUARE, E14
24,233 SQ FT	24,229 SQ FT	19,087 SQ FT
Outside Of Canary Wharf	Outside of Canary Wharf	Outside of Canary Wharf
New lease	New lease	Sublease

SUPPLY

Supply across East London submarkets increased to 3.4 million sq ft over the quarter, reflecting a vacancy rate of 14.39%. Total supply is 56% above the five-year quarterly average of 2.2 million sq ft.

Grade A supply totalled 1.2 million sq ft at the end of the quarter - while second-hand units continue to dominate availability in East London, accounting for 63%, or 2.2 million sq ft, of total supply.

There are ten buildings available which can accommodate a requirement in excess of 100,000 sq ft. The largest volume of available space on the market can be found at the YY London building at 30 South Colonnade, Canary Wharf, where 395,000 sq ft completes in 2022.

FUTURE SUPPLY

Canary Wharf saw three schemes complete in 2021, with 350,000 sq ft already pre-let or under offer and 314,000 sq ft still available at the point of delivery.

Looking ahead at buildings in the pipeline, at the end of December, just the YY London building was speculatively under construction across East London. A further 790,000 sq ft is on the development pipeline, with delivery due in the next five years.

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REPORT DEFINITIONS

- All market statistics relate to units/transactions over 5,000 sq ft
- Supply is defined as space available for immediate occupation and space under construction that is due to complete within the next 6 months and is not let. It includes space under offer.
- Take-up figures refer to space let, pre-let, or acquired for occupation during the quarter.
- Under offer relates to units which a potential occupier has agreed in principle to acquire, subject to negotiation.
- Pre-lets include both off-plan – i.e. before construction has started on site – and pre-lets while under construction but prior to practical completion.
- Speculative development relates to newly developed or comprehensively refurbished building undertaken without the benefit of a secured tenant. It excludes buildings due for completion within six months.
- Prime rents relate to a consistently achievable headline rental figure that relate to new prime, well located, high specification units of a standard size (10,000 sq ft) commensurate within the predefined market area, assuming there is always existing demand and available supply.