

# CENTRAL LONDON REPORT

MARKETBEAT  
Q3 2024



# SUMMARY

In Q3 2024, 2.56 million sq ft of take-up was recorded across Central London – up 21% quarter-on-quarter and 1% above the ten-year quarterly average of 2.55 million sq ft. Grade A leasing continues to dominate activity, amounting to 1.80 million sq ft equating to 70% of Q3 take-up – well-above the ten-year average of 59%.

This brings the Q1-3 2024 take-up volume to 6.34 million sq ft (1% above Q1-3 2023) with Grade A activity totalling 4.42 million sq ft – 70% of the total. A further 3.11 million sq ft of space was under offer at the close of Q3, 8% above Q2 and of which 73% was of Grade A quality.

The City market remained the most active during the quarter, with 1.50 million sq ft trading (67% Grade A), while the West End's 1.04 million sq ft accounted for 41% of take-up (74% grade A).

Whilst demand continues to remain robust, there is still a high volume of supply in the market. Central London supply reduced by 1% during Q3 to 27.05 million sq ft at the end of September 2024, 57% above the ten-year average of 17.27 million sq ft. Grade A supply remained flat at 15.49 sq ft, 57% of the total available space.

Although high, supply has now broadly stabilised over the last 18 months and reduced by 2% during Q3. With a constrained available development pipeline over the coming years, we should begin to see a reduction in both the overall and Grade A vacancy rate throughout the next 12 months.

Vacancy rates nevertheless remain elevated, at 9.28% overall and 5.31% Grade A in Q3, reducing marginally in Q3 but 308 and 226 bps above their respective ten-year quarterly averages.

“Occupiers continue to target high quality office space across Central London, with Grade A accounting for 70% of leasing in 2024 so far and 73% of space under offer.”

Central London office investments totalled £1.33 billion in Q3, a 23% decline versus Q2 and 47% below the five-year quarterly average of £2.51 billion. This brings Q1-3 2024 investments up to £4.12 billion, 26% below the volume achieved in the same period in 2023 and 36% down on the five-year Q1-3 average of £6.47 billion.

The West End accounted for 61% of all deals in Q1-3, totalling £2.76 billion across 82 deals with smaller lot sizes favouring market conditions. The City recorded 54 deals totalling £1.31 billion, while there was just one deal in East London.

Across Central London, UK purchasers remained the most active, taking a 51% market share in Q1-3 2024, equating to £2.09 billion. Investors from elsewhere in Europe and North America followed, taking a 17% and 12% market share respectively.

Prime office yields across the City and West End remained unchanged from the prior quarter at 5.75% and 4.00%, respectively.



**2.56 million sq ft leased in Central London during Q3 2024**

1% above the ten-year quarterly average



**3.11 million sq ft under offer at the end of September**

8% above the ten-year quarterly average



**Investment volumes totalled £1.33 billion in Q3 2024, reflecting £4.12 billion in Q1-3**

£7.34 billion transacted throughout 2023

**385**

**Number of transactions signed to date in 2024**

Over 550 deals signed in 2023, of which 84% were below 25,000 sq ft



**15.89 million sq ft under construction across the market**

47% is pre-let or under offer



**Prime yields across Central London**

City: 5.75%

West End: 4.00%

# OUTLOOK

The UK economy had a strong first half of the year with GDP increasing by 1.3% as consumer spending and business investment also rising. While June and July reported zero growth, August reported a 0.2% month-on-month expansion, with the services sector growing by 0.1% - predominantly driven by the professional, scientific & technical industry.

Growth has been enabled by a significant easing in global inflationary pressures, although there remains domestic pressures. As a result, on the 1st of August, the MPC voted narrowly to cut the base rate from 5.25% to 5% after two months of CPI at 2%. Since then, the MPC voted 8-1 to keep rates on hold in September, with consensus suggesting a further 25bps cut in November.

The Labour government's first budget was delivered by Rachel Reeves - the first female chancellor - in October. Most pertinent to Central London real estate were the measures relating to business - predominantly higher national insurance contributions which may weigh on employment growth. Support for SMEs - among other policies targeting infrastructure investment with the goal of increasing productivity - were however aimed at delivering long-term growth in the UK economy, presenting an upside to demand. Confirmation of the continuation of the HS2 rail network to Euston will also have garnered an optimistic response from businesses in the capital.

Annual investment volumes for Central London offices reached £5.89 billion at the end of Q3 2024, 6% down on Q2 and the lowest annualised figure on record - below the previous minimum set in Q1 2024. Despite this, optimism around the interest rates outlook and the strength of the occupational market, including the significant rental growth picture and high levels of active demand, suggests activity is likely to pick up. This is supported by the £4.29 billion worth of assets being marketed or at the bids stage at the end of Q3 - up 38% against Q2. Core income, well-located, high quality, Grade A assets in particular are attracting good interest.

West End and City prime yields remain unchanged at 4.00% and 5.75%, respectively, at the end of Q3. Buyer confidence is increasing however vendor aspirations need to align further in most cases to unlock much needed investment activity across Central London - this will not happen overnight, but when it does, there is a growing weight of capital ready to invest.

In the leasing market, take-up in Q1-3 2024 was marginally behind the same period in 2023. Grade A stock has continued to see good demand, with 2.42 million sq ft of Grade A space under offer at the close of Q3 - up 1% on the quarter and 24% above the ten-year average.

This robust demand, together with a tight development pipeline and record high levels of active demand (c. 13 million sq ft), fuel a positive rental growth story. In the City, average annual rental growth of 4.4% is forecast for prime assets in the next five years versus 7.6% for super-prime assets; whilst in the West End, figures of 4.0% and 7.3% are forecast, respectively.

“Strong occupational fundamentals and future rental growth prospects are fuelling investor demand for Central London assets.”

**0.0%** Projected Inner London GDP growth in 2024

**1.0%** Projected Inner London GDP growth in 2025

**1.0%** Projected UK GDP growth in 2024

**1.3%** Projected UK GDP growth in 2025

Source: Moody's Analytics (October 2024)



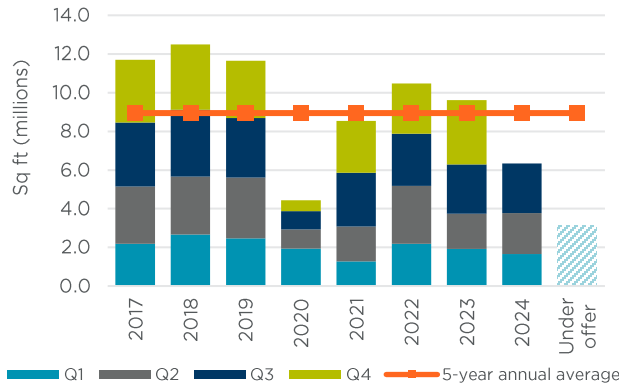
# CENTRAL LONDON OVERVIEW

## TAKE-UP

In Q3 2024, 2.56 million sq ft of take-up was recorded across Central London – up 21% quarter-on-quarter and 1% above the ten-year quarterly average of 2.55 million sq ft. Grade A leasing continues to dominate activity, amounting to 1.80 million sq ft equating to 70% of Q3 take-up – well-above the ten-year average of 59%.

This brings the Q1-3 2024 take-up volume to 6.34 million sq ft (1% above the same period in 2023) with Grade A activity totalling 4.42 million sq ft – 70% of the total. A further 3.11 million sq ft of space was under offer at the close of the quarter, 8% above the previous quarter and of which 73% was of Grade A quality.

### LEASING VOLUMES – 2017-2024



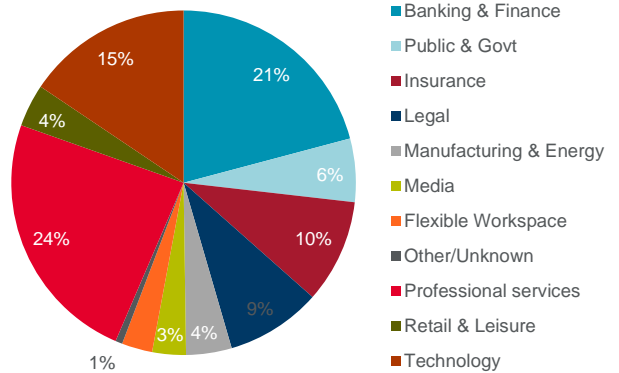
The City market remained the most active during the quarter, with 1.50 million sq ft trading (67% Grade A), while the West End's 1.04 million sq ft accounted for 41% of take-up (74% grade A).

The 165 transactions above 5,000 sq ft which completed in Q3 bring the total for Q1-3 2024 to 385 deals, of which 16 were for units over 50,000 sq ft (six over 100,000 sq ft).

### KEY OCCUPIER TRANSACTIONS – 2024 Q3

M BUILDING, W1	WOOLGATE EXCHANGE, EC2	105 VICTORIA STREET, SW1
221,156 SQ FT	191,000 SQ FT	135,000 SQ FT
North of Oxford Street	City Core	Victoria
Pre-let, under construction	Pre-let, under construction	Pre-let, under construction

### TAKE-UP BY SECTOR – 2024 Q3



With 28 deals totalling 583,300 sq ft, Professional Services activity accounted for 24% of Q3 take-up, driven by the largest deal of the quarter: BDO's 221,156 sq ft lease of the M Building, W1.

The Banking & Finance sector contributed a 21% and 23% share of leasing for Q3 and Q1-3 2024 respectively. Three of the six deals above 100,000 sq ft in Q1-3 2024 were by this sector, with the Citadel, Evercore and Revolut deals together totalling over 500,000 sq ft. Banking & Finance also accounted for the most individual transactions in the quarter at 30.

Looking at the under offers in the market, where the occupier is known, the largest share of 18% was allocated to Banking & Finance occupiers – 542,000 sq ft – followed by Professional Services businesses (9% share and 257,000 sq ft) and the legal sector (7% share and 206,000 sq ft).

## SUPPLY

Central London supply reduced by 1% during Q3 to 27.05 million sq ft at the end of September 2024, 57% above the ten-year average of 17.27 million sq ft. The last 18 months have seen supply stabilise around the 27 million sq ft mark, indicating an end to the rapid rises recorded since 2021.

As a result, the vacancy rate reduced by 13 basis points to 9.28% in Q3, while a 4 basis points increase to 5.31% was noted for Grade A units.

Based on this, and taking a three-year average take-up, there is currently enough supply to satisfy 2.78 years of demand and 2.58 years of supply to satisfy Grade A demand.

Across Central London, there are 33 buildings available to satisfy a requirement of more than 100,000 sq ft – 12 in the City, 10 in the West End and nine in East London with two in the Emerging South. Of these, 21 are of Grade A quality.

# CENTRAL LONDON OVERVIEW

## FUTURE SUPPLY

The first three quarters of 2024 recorded 2.81 million sq ft of development completions, of which 32% was pre-let. Of the 26 schemes completed, the largest was the Turing Building, E20 in East London (354,926 sq ft, all available), followed by Space House, WC2 (229,806 sq ft, all available) and 50 Electric Boulevard, SW8 (202,447 sq ft, 5% pre-let) with a further seven schemes delivered in excess of 100,000 sq ft.

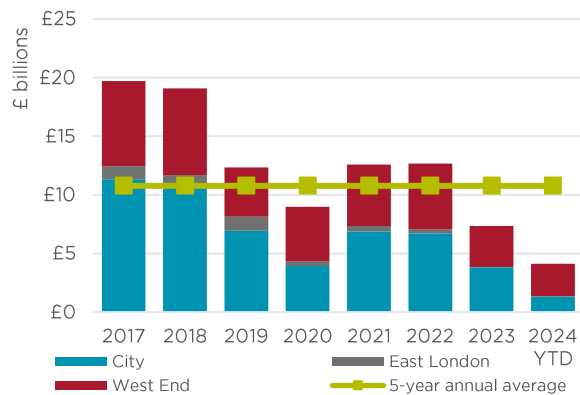
At the end of Q3, 15.89 million sq ft remains under construction and expected to be delivered by 2028, with 48% of this already pre-let. This leaves 8.32 million sq ft of space being built speculatively. Of this speculative space, 57% is due to complete by the end of 2025.

## INVESTMENT

Central London office investments totalled £1.33 billion in Q3, a 23% decline versus Q2 and 47% below the five-year quarterly average of £2.51 billion. This brings Q1-3 2024 investments up to £4.12 billion, 26% below the volume achieved in the same period in 2023 and 36% down on the five-year Q1-3 average of £6.47 billion.

The West End accounted for 61% of all deals in Q1-3, totalling £2.76 billion across 82 deals, while the City recorded 54 deals totalling £1.31 billion, and just one deal in East London.

### INVESTMENT VOLUMES – 2017-2024



This takes investment for the last 12-months to £5.88 billion in Central London, down by 43% against the five-year average of £10.43 billion and the lowest figure of the last ten years.

There have been six deals over £100 million to complete in Q1-3 – four in the West End and two in the City. The largest was Blackstone's acquisition of 130-134 Bond Street, W1 for £226.5 million.

## KEY INVESTMENT TRANSACTIONS – 2024 Q3

Property Address	Value	Purchaser	Vendor
Atlantic House, 45-51 Holborn Viaduct, EC1	£180 m	Royal London Asset Management	CBRE IM
14 St George Street, W1	£131 m	Oval Real Estate	Chinese Estates
24 Savile Row, W1	£89.8 m	Von Finck	Aerium

During the last 12-months to Q3 2024, 178 deals completed across Central London – the highest number since Q3 2022. While improving, deal numbers remain low historically, 54% lower than the historic high in Q1 2014.

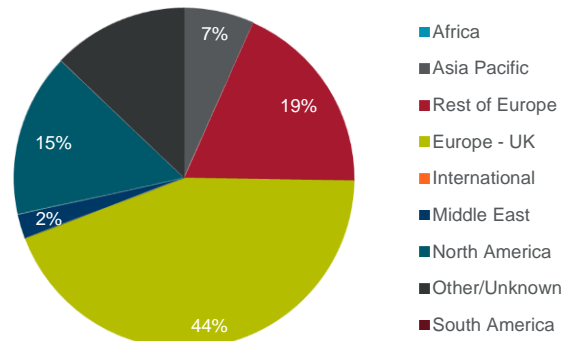
Annualised average lot sizes fell by 12% on the quarter to £33.04 million in Q3 2024 – tenth consecutive quarter of contracting lot sizes and the lowest recorded across the past ten years. Smaller lot sizes continue to drive the market, with limited deals above £100 million and, since Q3 2022, no deals over £500 million have traded.

In Q3 2024, UK purchasers remained the most active known group as they have been for the last two years, accounting for 33% of quarterly turnover, increasing to 44% over 2024 to the end of Q3. This purchaser group also ended Q3 with the greatest negative net investment of -£109.65 million, selling more than they have acquired, while the Rest of Europe group had the highest Q3 net investment with £239.25 million.

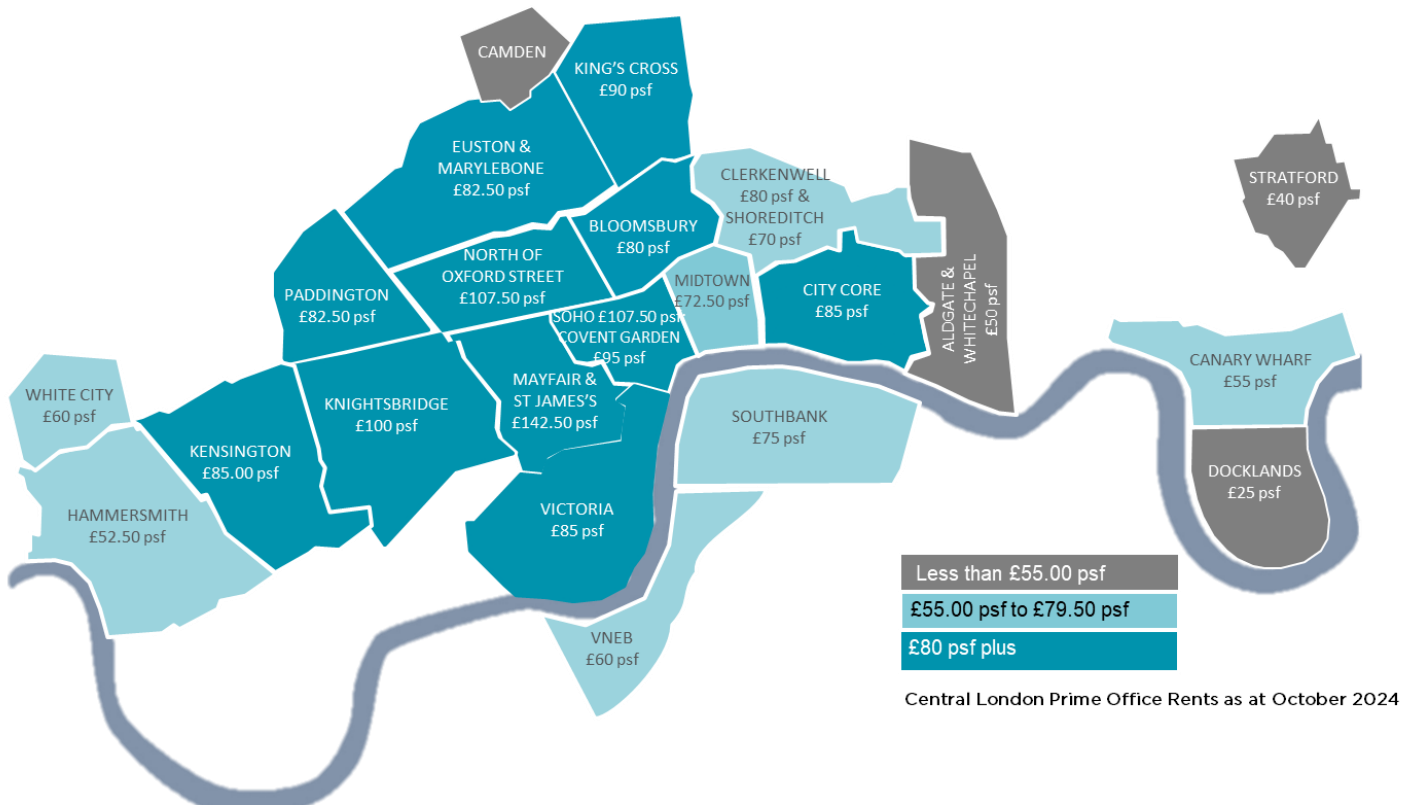
As at the end of Q3 2024, there was £4.29 billion available or at bids stage across Central London, up on the £3.12 billion recorded at the end of Q2, with a further £1.54 billion under offer.

Prime yields remained unchanged at 5.75% in the City and 4.00% in the West.

### INVESTMENT BY PURCHASER ORIGIN – 2024 YTD



# PRIME RENTS



Prime rents in Central London were **unchanged** over the quarter across most submarkets, with the exception of City Core which increased by 3% and Mayfair & St James's which increased by 1.8%



### Average annual rental change across Central London markets (2019-23)

- City – average annual change of **2.9%**
- East London – average annual change of **0.0%**
- West End – average annual change of **4.8%**



The Central London vacancy rate decreased during the quarter to 9.28%, with notable variations across the submarkets.

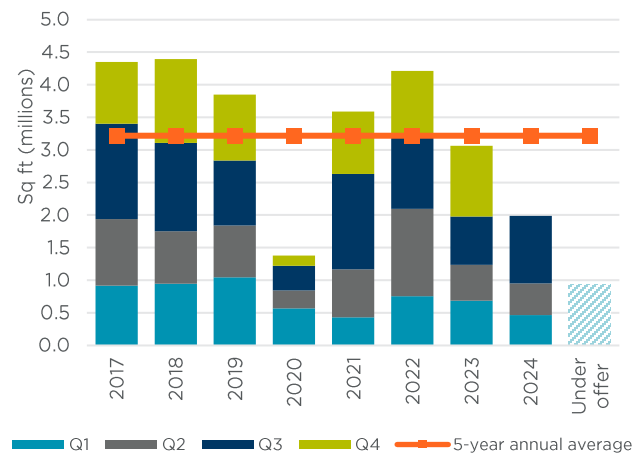
# WEST END OVERVIEW

## TAKE-UP

Leasing activity in the West End totalled 1.04 million sq ft in Q3, more than double that of Q2 and 36% above the five-year quarterly average. Of this, 74% was of Grade A quality – the third highest share of the last five years.

At the end of Q3, a further 939,571 sq ft of space was under offer of which 77% was Grade A. This was a 24% decline on Q2 as deals completed and under offer space converted to take-up, bringing the figure to 9% below the five-year average.

## LEASING VOLUMES – 2017-2024



This takes Q1-3 2024 leasing volumes for the West End to 1.99 million sq ft, down 28% on the five-year average for the first three quarters. The 132 transactions which occurred in this period was down 3% on Q1-3 2023 and was the second lowest figure of the last ten years, exceeding only that of Q1-3 2020.

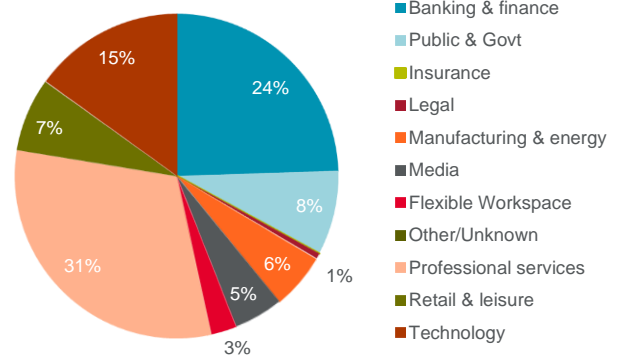
There were three transactions in excess of 50,000 sq ft in Q3 carried out by BDO, Evercore and Monday.com.

## KEY OCCUPIER TRANSACTIONS – 2024 Q3

BDO	EVERCORE	monday.com
M BUILDING, W1	105 VICTORIA STREET, SW1	1 RATHBONE PLACE, W1
221,156 SQ FT	135,000 SQ FT	80,626 SQ FT
North of Oxford Street	Victoria	Victoria
Pre-let, under construction	Pre-let, under construction	* Assignment

Where asterisk (\*) is shown, Cushman & Wakefield advised on the transaction

## TAKE-UP BY SECTOR – 2024 Q3



The larger deals in the quarter have had a significant impact on sector-level take-up. Professional Services – bolstered by the largest West End deal of the quarter enacted by BDO – claimed the greatest share of Q3 take-up at 31%.

This was followed by the Banking & Finance sector at 24%, with the Evercore transaction accounting for over half of the sector's total.

The Technology sector delivered a further 15% of the quarter's leasing activity, spurred by Monday.com's letting.

## SUPPLY

West End supply decreased by 2% to 9.20 million sq ft however this remains 64% above the five-year quarterly average of 6.98 million sq ft. The vacancy rate also decreased marginally to 7.63% in Q3 2024, a decrease of 18 bps during the quarter from 7.81% in Q2.

Availability levels continued to be differentiated across the submarkets. Mayfair continues to have the lowest vacancy rate, both across the West End and the whole of Central London, at 3.40% despite having increased by 9 bps during the quarter (2.47% Grade A, up 18 bps). The largest fall in the vacancy rates was in White City, reporting a 132 bps decrease to 17.8% (12.88% Grade A, up 50 bps). The North of Oxford Street saw the greatest increase at 65 bps to 6.65%, due in part to developments expected to complete within the next six months (5.08% Grade A, up 67 bps).

Of the overall supply, Grade A accounted for 74%, equating to 6.83 million sq ft and a 5.67% vacancy rate.

At the end of Q3, there were 13 available buildings in the West End capable of satisfying a requirement above 100,000 sq ft, of which eight were under construction.



# WEST END OVERVIEW

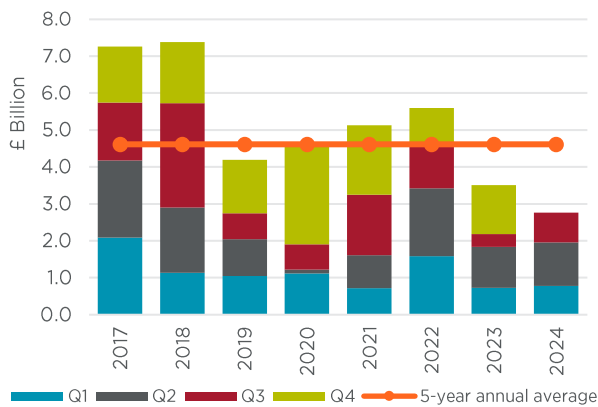
## FUTURE SUPPLY

In Q3, seven developments totalling 748,491 sq ft completed in the West End, taking deliveries for Q1-3 2024 to 1.61 million sq ft across 15 schemes. Space House, 1 Kemble Street, WC2 (229,806 sq ft, all available) was the largest scheme completed in Q1-3 2024, followed by 50 Electric Boulevard, SW8 (202,400 sq ft, 90% available), and OSMO, SW8 (174,800 sq ft, all available) with three further completions above 100,000 sq ft.

Looking ahead, as at the end of Q3, there was 6.47 million sq ft under construction and due to deliver by 2027, with 63% of this being developed speculatively. Of the total amount, 75% is due to complete by the end of 2025, of which 41% has been pre-let, with an extremely constrained development pipeline from 2026 onwards.

## INVESTMENT

### INVESTMENT VOLUMES – 2017-2024



Investment volumes totalled £803.6 million in the West End in Q3 2024, 32% and 31% down on the previous quarter and the five-year average respectively. This brings the Q1-3 2024 volume up to £2.76 billion which is 26% below the same period in 2023 and 7% below the five-year Q1-3 average of £2.95 billion.

The 26 transactions completed in Q3 brings the Q1-3 total to 82, of which 18 deals were in excess of £50 million with four being above £100 million.

In the year to Q3 2024, £4.08 billion traded in the West End, up 31% versus Q3 2023 but 12% below the five-year quarterly average. The average deal size in the 12 months to Q3 2024 was £38.12 million, the first quarterly increase in two years but nonetheless 37% below the five-year average.

The largest investment transaction in the West End in Q3 2024 was the 14 St George Street, W1.

## KEY INVESTMENT TRANSACTIONS – 2024 Q3



**14 St George Street, W1**

**£131 m**

**Purchaser:**  
Oval Real Estate

**Vendor:**  
Chinese Estates



**24 Savile Row, W1**

**£ 89.8 m**

**Purchaser:**  
Von Finck

**Vendor:**  
Aerium



**291 Oxford Street, W1**

**£71.5 m**

**Purchaser:**  
JP Morgan

**Vendor:**  
Lai Wing-To

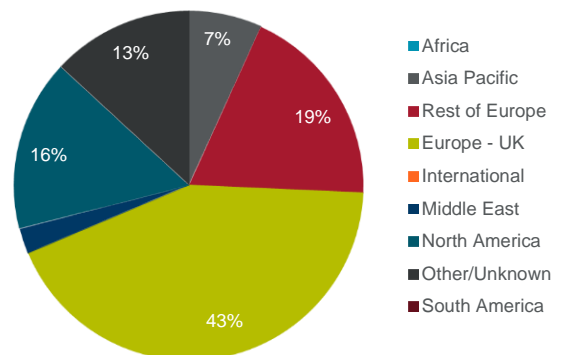
Q3 2024 saw UK purchasers remain the most active known group, acquiring £268.35 million of office assets – a 33% share.

Investors from the Rest of Europe accounted for the second largest share with a further 13%, followed by North American buyers at 12%.

The amount of stock available or at bids stage in the market increased to £1.80 billion in Q3 from £1.39 billion in Q2. There was also an additional £0.94 billion under offer at the end of Q3, marginally down on three months prior when £0.97 billion was recorded.

Prime yields in the West End were unchanged at 4.00% in Q3 2024, remaining at this level for the last eight quarters. Prime yields for assets in non-core West End locations are in the 4.50-5.00% range.

### INVESTMENT BY PURCHASER ORIGIN – 2024 YTD





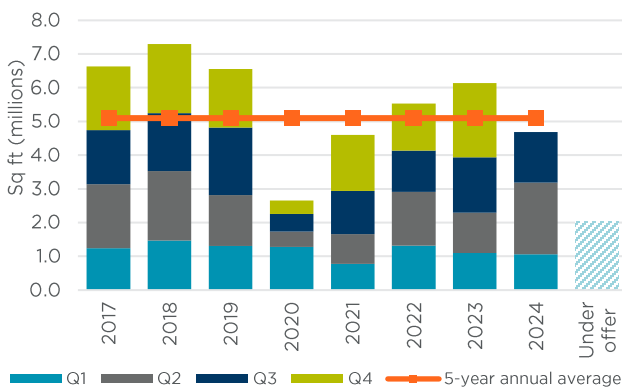
# CITY OVERVIEW

## TAKE-UP

Take-up in the City market totalled 1.50 million sq ft during Q3, down by 2% quarter-on-quarter but remaining 3% ahead of the ten-year quarterly average of 1.45 million sq ft. Grade A take-up accounted for 67%, equating to 1.00 million sq ft.

Under offer space increased to 2.04 million sq ft, up 6% on the quarter and 23% ahead of the ten-year quarterly average, with 75% of space marked as Grade A. This indicates continued momentum for activity during the rest of the year.

### LEASING VOLUMES – 2017-2024



This takes leasing volumes for Q1-3 to 4.09 million sq ft, up by 4% versus the same period in 2023 but down 6% against the five-year Q1-3 average.

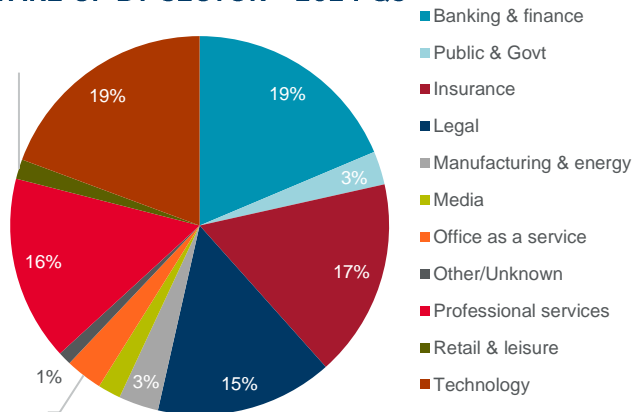
Across Q1-3 2024, 246 deals above 5,000 sq ft completed in the City, of which ten were in excess of 50,000 sq ft and three were above 100,000 sq ft. Included in this were two of the three largest deals of 2024 to date: Citadel's 251,901 sq ft pre-let of 2 Finsbury Avenue, EC2 and L&G's 191,000 sq ft pre-let of The Woolgate Exchange, EC2.

### KEY OCCUPIER TRANSACTIONS – 2024 Q3

 <b>WOOLGATE EXCHANGE, EC2</b> <b>191,000 SQ FT</b> <b>City Core</b> <b>Pre-let, under construction</b>	 <b>BISHOPSGATE EXCHANGE, EC2</b> <b>76,822 SQ FT</b> <b>City Core</b> <b>New lease</b>	 <b>25 MOORGATE, EC2</b> <b>68,499 SQ FT</b> <b>City Core</b> <b>* Pre-let, under construction</b>
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Where asterisk (\*) is shown, Cushman & Wakefield advised on the transaction

### TAKE-UP BY SECTOR – 2024 Q3



Take-up was distributed across a range of sectors in Q3 2024. The Technology sector claimed the greatest share – albeit only marginally – at 19%, with leases enacted by Uber, Softcat, Fresha and TEYA.

Banking & Finance companies accounted for the second greatest share, also at 19%, achieved across 17 deals all of which were below 50,000 sq ft. Conversely, while the Insurance sector only reported four deals, L&G's letting at the Woolgate Exchange (the largest of the quarter) spurred the sector to a 17% share of overall take-up.

Of the space under offer with a known tenant, there are two Banking & Finance and two Legal sector transactions in excess of 50,000 sq ft.

## SUPPLY

In Q3 2024, supply in the City totalled 14.09 million sq ft – the lowest level observed in two years and a 2% decline on the quarter but still 16% above the five-year quarterly average. Grade A and Grade B availability both decreased by 1% and 3% respectively versus Q2.

The overall vacancy rate decreased to 9.59% which is down by 23 bps against the previous quarter and the lowest level since Q2 2022, however it remains well above the 6.46% five-year average.

Grade A vacancy rate decreased marginally to 4.91% in Q3 from 5.00% in Q2, resulting in availability relative to average take-up of Grade A space falling to 2.0 years' supply – the lowest level since Q2 2022.

Q1-3 2024 saw 847,977 sq ft of new space complete, of which 34% was pre-let at delivery.

# CITY OVERVIEW

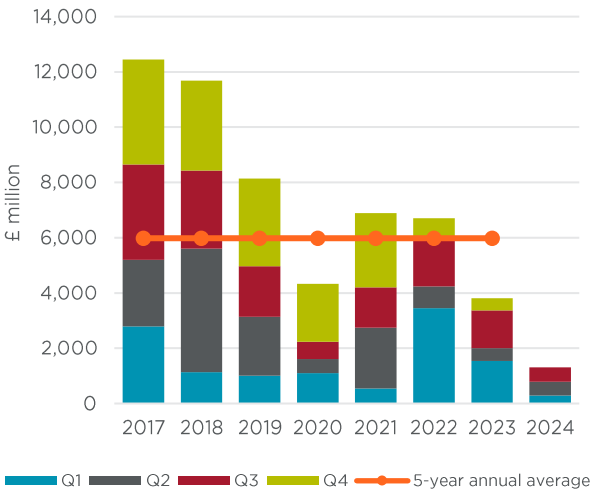
## FUTURE SUPPLY

There was 9.42 million sq ft under construction in the City at the close of Q3, of which 55% was pre-let – up from 48% in Q2. The final quarter of 2024 is expected to see 2.04 million sq ft of space completed (73% pre-let), with 4.61 million sq ft delivering in 2025 (67% pre-let), amounting to 70% of the total pipeline.

Of the developments due to complete in Q4 2024, three are fully pre-let (One Southwark Bridge Road, SE1; Verdant, EC1; 25 Moorgate, EC2) while 40 Leadenhall, EC3 is over 90% pre-let or under offer.

## INVESTMENT

### INVESTMENT VOLUMES – 2017-2024



In the City market, investment volumes increased by 6% during the quarter to £523.66 million in Q3, with the absence of larger lot sizes continuing to suppress activity. In the City, there has not been a deal over £500 million since Q2 2022. Despite the quarterly increase, the Q2 total was 59% below the five-year quarterly average of £1.29 billion.

In Q3, 20 deals completed with just two trading over £50 million – including Royal London Asset Management’s £180 million acquisition of Atlantic House, EC2, the largest City deal of 2024 so far.

This takes deal volumes for the 12 months to Q3 2024 to £1.75 billion – the lowest annualised volume of the last ten years – across 70 transactions. This amounts to an average transaction size of £25.04 million – also the lowest of at least the last ten years.

## KEY INVESTMENT TRANSACTIONS – 2024 Q3



**Atlantic House, EC1**

**£180 m**

**Purchaser:**  
Royal London Asset Management

**Vendor:**  
CBRE IM



**1 Bow Churchyard, EC4**

**£57 m**

**Purchaser:**  
Habro

**Vendor:**  
Aviva



**3-6 Gracechurch Street, EC3**

**£39 m**

**Purchaser:**  
Far Glory

**Vendor:**  
USS

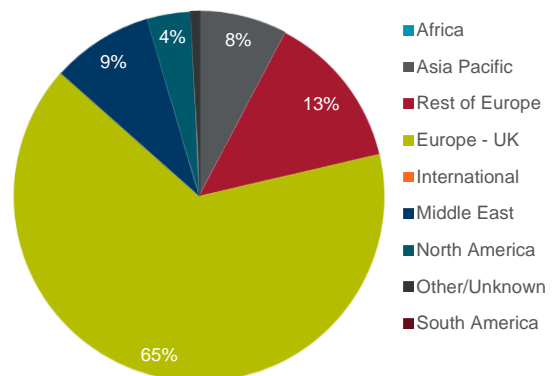
UK investors were the most active purchasers and vendors in Q3, acquiring £297.75 billion (57% of the total) and selling £455.76 billion (87% of the total). This means UK investors sold £237.04 billion on a net basis in Q3.

Purchasers from the Rest of Europe accounted for a further 30% of Q3 acquisitions in the City, with the remaining 14% enacted by buyers from the Asia Pacific region.

As a result of improving investor confidence, the value of assets offered for sale in the City increased in Q3, with an estimate £2.49 billion currently available or at bids stage – up 44% on Q2. There was an additional £0.60 billion under offer at the end of September, also above the £0.48 billion under offer at the end of Q2.

Prime City yields were unchanged at 5.75% for the fourth consecutive quarter, following six consecutive upward yield movements.

## INVESTMENT BY PURCHASER ORIGIN – 2024 YTD



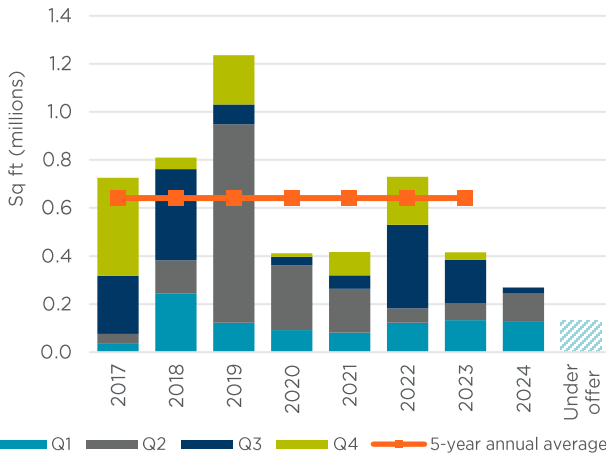
# EAST LONDON OVERVIEW

## TAKE-UP

Leasing activity in Q3 2024 in East London totalled 25,991 sq ft from two deals, 79% down against the five-year quarterly average and the lowest figure since Q4 2020. The largest of these was LSH Education leasing 19,491 sq ft of Grade A space in the Import Building, E14 while Hexware let 6,500 sq ft at 1 Canada Square, E14.

Under offer space totalled 131,367 sq ft at the end of Q3 – 2% above the five-year average and indicating an increase in activity over Q4 2024 and into 2025.

## LEASING VOLUMES – 2017-2024



The most recent quarter brings the Q1-3 2024 total to 269,205 sq ft, 30% down on the same period in 2023 and 43% down against the five-year Q1-3 average.

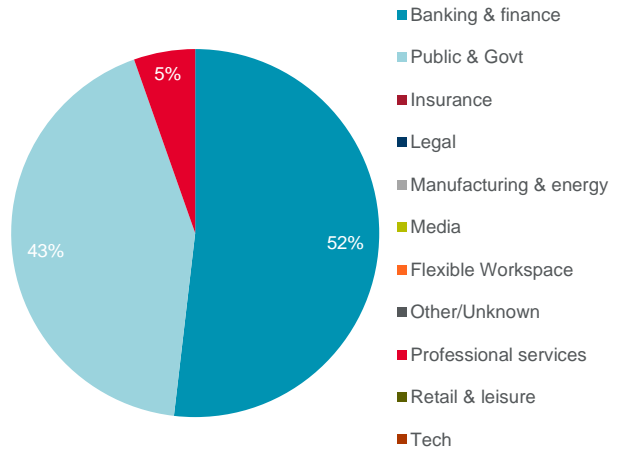
Due to the lower volume of deals in East London, average deal sizes tend to be volatile and skewed by larger transactions.

## KEY OCCUPIER TRANSACTIONS – 2024 Q1-3

<b>Revolut</b>	<b>University of Sunderland</b>	<b>FitchRatings</b>
YY LONDON, 30 SOUTH COLONNADE, E14	4 & 5 HARBOUR EXCHANGE SQUARE, E14	30 NORTH COLONNADE, E14
<b>113,892 SQ FT</b>	<b>95,628 SQ FT</b>	<b>25,678 SQ FT</b>
<b>Canary Wharf</b>	<b>Outside Canary Wharf</b>	<b>Canary Wharf</b>
<b>New lease</b>	<b>New lease</b>	<b>* Sublease</b>

Where asterisk (\*) is shown, Cushman & Wakefield advised on the transaction

## TAKE-UP BY SECTOR – 2024 YTD



Given that just seven deals completed in Q1-3, Revolut's new lease and Fitch Rating's sublease resulted in the Banking & Finance sector taking a 52% take-up share during this period.

This was followed by the Government, Public & Associations sector, driven by the University of Sunderland's new lease in Q1 and LSH Education's Q3 new lease resulting in the Public sector taking a 43% share of take-up in H1.

## CURRENT & FUTURE SUPPLY

Availability in East London increased by 5% on the prior quarter, with 3.75 million sq ft of supply in the market – 17% ahead of the five-year average.

The increase was driven by Grade B supply, which rose by 10% quarter-on-quarter to 2.23 million sq ft (59% of the total). Conversely, Grade A supply decreased by 1% to 1.43 million sq ft.

Following a strong development pipeline year in 2023, where 635,000 sq ft of office space was delivered speculatively across East London, there has only been one completion in 2024: the Turing Building, E20 which delivered 354,926 sq ft of speculative space in Q3.

At the close of Q3 2024, no further office space is currently under construction in the East London market. Consequentially, the remaining Grade A supply is expected to be eroded as demand concentrates on better quality space.

## RESEARCH & INSIGHT CONTACTS



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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 six months and is not let. It includes space under offer.
- Grade A relates to supply that is newly built or refurbished.
- 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-let space includes 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.
- Where asterisk (\*) is shown, Cushman & Wakefield advised on the transaction

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