

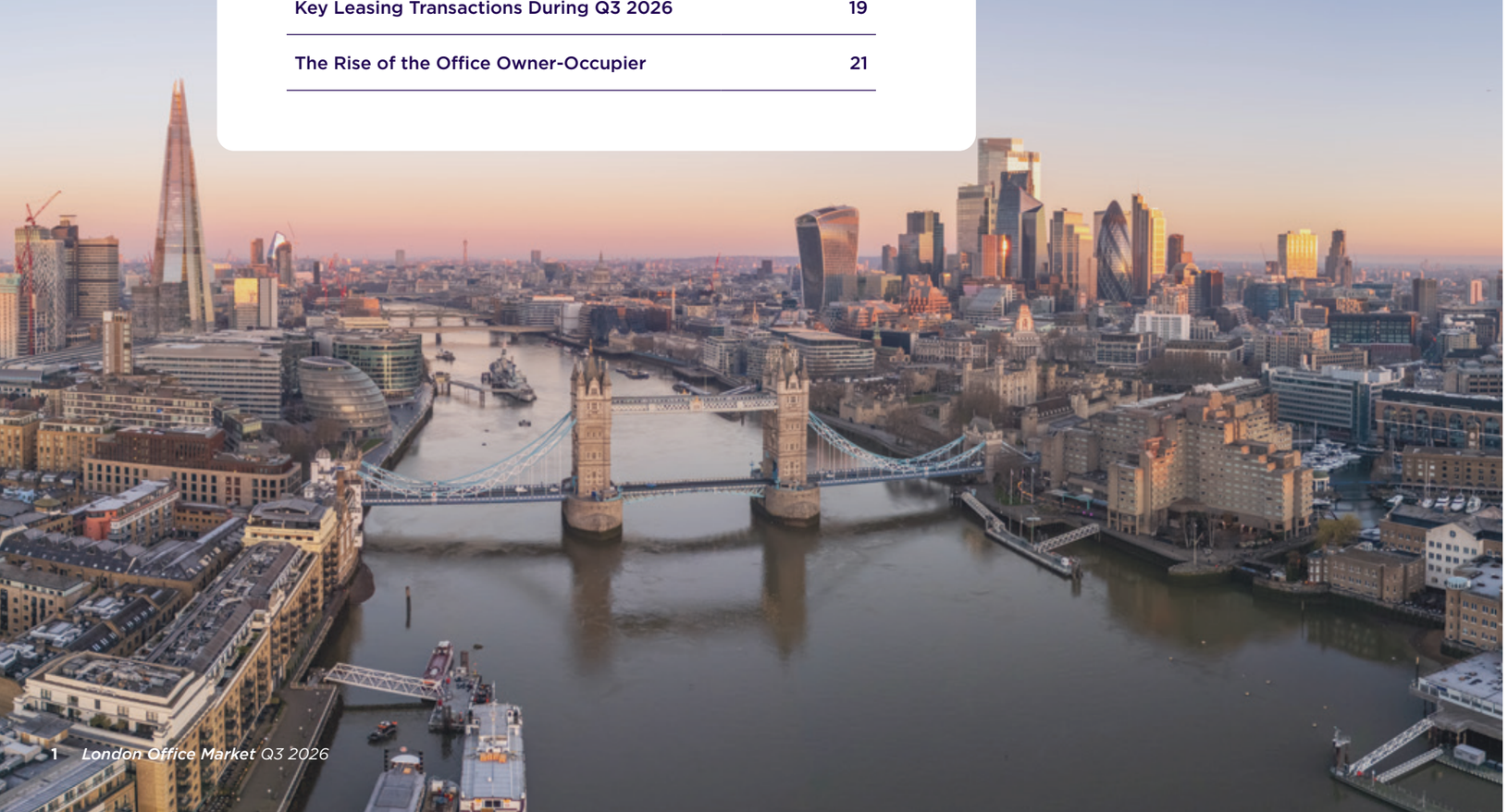
The London Office Market

Q3 2026

Carter Jonas

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The London Office Market

Global Capital, Local Impact

London's position as one of the world's most important office markets owes much to decades of overseas investment. Few countries have shaped the capital more profoundly than the United States of America.

America's growing influence on the world stage during the twentieth century was the subject of a recent BBC Radio 4 podcast "The American Century". Two world wars and the waning influence of the British Empire helped transform the USA into a global economic and military superpower. While largely a story of geopolitics, it also has important implications for UK real estate.

The Big Bang

During the post-war period, and particularly the past forty years, Britain has benefitted significantly from US investment, much of it in London's financial district, the City of London. The key turning point came in 1986 with the 'Big Bang' - the Thatcher government's deregulation of the UK's financial markets - which led to an influx of US investment banks setting up shop in the City. It wasn't long before many of the British merchant banks and their stockbroking operations, some of which had been established for over 200 years, succumbed to competition and takeover, funded by the "wall of money" emanating from America. Their arrival transformed the City into a global financial centre, capable of competing with New York, and drove demand for a new generation of office buildings with large, column-free, floor plates and high floor-to-ceiling heights to accommodate the computerisation of trading activities.

The Legacy Continues

The UK is still benefiting from the legacy of the late 1980s as American investment banks including Citigroup, Goldman Sachs and State Street continue to invest heavily in their London-based operations. JP MorganChase has recently announced that it is intending to develop a new 3 million sq ft headquarters office at Canary Wharf at an estimated cost of over $3bn. It will be one of the largest office buildings in Europe, capable of accommodating up to 12,000 employees. The multiplier effect of the bank's investment on the local economy will be substantial.

American technology firms have also become a cornerstone underpinning London's economy. Global-tech giants including Google, Microsoft, Meta and Apple have a significant presence in London, which is typically used as a base for their European operations. The rapid growth of artificial intelligence (AI) is creating fresh demand for office space from firms including OpenAI and Anthropic. Over half a million square feet of space in London has been let to AI businesses during the first half of 2026 alone.

Why Policy Matters

The UK's ability to attract overseas investors, particularly US businesses, has long been supported by language, culture, world-class university research, the rule of law and business-friendly political, regulatory and economic environment. The financial health of the nation is fundamentally linked to overseas, and especially American, investment.

With the Budget approaching, policymakers face a delicate balancing act. Maintaining a competitive tax and regulatory environment, alongside stronger trading ties with Europe, will be important in sustaining investment. History suggests that business confidence, investment and economic growth are closely linked. High taxation risks encouraging investors to consider competing centres including New York, Paris, Frankfurt and Dubai which will detract from Britain's ability to innovate and compete on the world stage.

For office occupiers, investment confidence matters because it directly influences hiring decisions, business formation and expansion plans. A supportive policy environment is more likely to encourage corporate growth, underpinning demand for workspace across the capital.

Ultimately, London's position as a leading global business hub has been built in large part on decades of American investment. Preserving the capital's attractiveness remains critical to the UK's future economic success.

"Maintaining a competitive tax and regulatory environment, alongside stronger trading ties with Europe, will be important in sustaining investment."



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Trends In Office Rents

Table 1
Changes In Typical Office Headline Rents Over 1 and 5 Years - New & Refitted Mid-Rise Grade A Space Over 5,000 sq ft
Source: Carter Jonas

Submarket	Q3 2021	Q3 2025	Q3 2026	% Increase - 5 Years	% Increase - 1 Year
City of London Prime – Bank, Leadenhall Street	£70.00	£87.50	£95.00	35.71%	8.57%
City of London Secondary - Blackfriars, Aldgate	£63.00	£77.50	£80.00	26.98%	3.23%
City Fringe North - Shoreditch, Clerkenwell	£68.50	£72.50	£72.50	5.84%	0.00%
City Fringe North West - Farringdon, Smithfield	£85.00	£92.50	£92.50	8.82%	0.00%
City Fringe East - Aldgate East	£56.50	£57.50	£57.50	1.77%	0.00%
City Fringe East - Spitalfields	£65.00	£77.50	£77.50	19.23%	0.00%
South Bank - Southwark, London Bridge	£72.50	£87.50	£87.50	20.69%	0.00%
East London - Canary Wharf	£52.50	£55.00	£60.00	14.29%	9.09%
East London - Crossharbour	£35.00	£35.00	£35.00	0.00%	0.00%
East London - Stratford	£47.50	£47.50	£47.50	0.00%	0.00%
Midtown West - Bloomsbury	£85.00	£90.00	£90.00	5.88%	0.00%
Midtown East - Holborn	£70.00	£85.00	£85.00	21.43%	0.00%
Midtown North - King's Cross	£85.00	£90.00	£95.00	11.76%	5.56%
Midtown South - Covent Garden	£77.50	£90.00	£92.50	19.35%	2.78%
West End Central - Mayfair, St James's	£110.00	£167.50	£180.00	63.64%	7.46%
West End North West - Marylebone	£95.00	£115.00	£115.00	21.05%	0.00%
West End North East - Fitzrovia	£92.50	£105.00	£107.50	16.22%	2.38%
West End South - Victoria, Westminster	£77.50	£97.50	£97.50	25.81%	0.00%
West End South West - Knightsbridge	£87.50	£102.50	£105.00	20.00%	2.44%
West End West - Paddington	£77.50	£85.00	£87.50	12.90%	2.94%
West End East - Soho	£92.50	£107.50	£107.50	16.22%	0.00%
West London - Hammersmith	£57.50	£55.00	£55.00	-4.35%	0.00%
West London - White City, Shepherds Bush	£52.50	£60.00	£60.00	14.29%	0.00%
South West London - Battersea, Nine Elms	£62.50	£65.00	£65.00	4.00%	0.00%

Canary Wharf

After a rocky few years following the pandemic, Canary Wharf, located in London's Docklands, has been the subject of some large-scale lettings to high profile businesses during the last eighteen months. The latest being the leasing of 151,000 sq ft to Deutsche Bank at YY London, 30 North Colonnade.

Occupier interest in Canary Wharf is being driven by several factors. Canary Wharf Group's investment in "placemaking" has turned a once "soulless" location into a vibrant and attractive place to live and work by promoting a mix of uses – retail, restaurant, residential (including student housing) and educational occupiers. Significantly improved transport infrastructure, following the completion of the Elizabeth Line rail link, has also played its part. More latterly the lack of choice and significantly higher occupancy costs (see Table 4) at competing locations has also underpinned demand for office space at Canary Wharf.

All of these factors have conspired to underpin the resumption of rental growth at Canary Wharf which, over the course of the last 12 months, has recorded the highest level of rental growth in London's office market – just over 9%.

"Canary Wharf Group's investment in placemaking has turned a once 'soulless' location into a vibrant and attractive place to live and work."

The City Of London

The City of London comes a close second having recorded rental growth of 8.5% since the beginning of Q4 2025 – driven by robust demand, predominantly from the financial and business services sectors, and persistently low vacancy.

Inflation in construction and financing costs are playing their part in constraining the number of development starts as they squeeze developer's profit margins. Pre-letting activity is also taking supply out of the market and starving footloose tenants of choice. The imbalance between supply and demand has pushed landlords' advertised rents for new prime-located, mid-rise, best in class Grade A space in the City to over £100 per sq ft per annum while rents for the upper floors or high rise buildings are now typically over £150 per sq ft.

The West End

Rents for new Grade A space in the Mayfair and St James's districts of the West End have also climbed significantly during the last 12 months – up 7.5% - reflecting the same supply and demand issues that are affecting the City of London. Advertised rents for new Grade A space in "super-prime" locations in and around Hanover Square, Berkeley Square and St James's Square are currently hovering around £250 per sq ft, notwithstanding that rents of circa £180 per sq ft are more typical in other areas of the two districts.

The Supply Pipeline

The tables below show the pipeline of new office developments and refurbishments above 25,000 sq ft in the West End and Midtown and over 50,000 sq ft in the City, City Fringes, South Bank and Docklands (Canary Wharf) for the period from Q4 2026 to Q3 2030.

Graph 1 illustrates the total quantum of floorspace that will be reaching completion in each of the key London office sub-markets and excludes properties that have planning consent and where the developer has yet to decide whether to proceed with construction.

Graph 2 illustrates the extent to which pipeline floorspace has been pre-let, and is therefore no longer available. At the time of publication of this report, it will be the third quarter of 2027 before any new Grade A floor space of scale will be available to meet demand, providing that it has not been pre-let beforehand, with supply constrained for the remainder of the year. The graph also shows that availability, and choice for footloose tenants, will be limited during 2028 and 2029.

Graph 1
London Office Development / Refurbishment Completions By Sub-Market
Source: Carter Jonas



The City delivers the largest contribution to the pipeline, representing 42.6% of planned completions to Q3 2030

The **West End** also contributes significant volumes, especially during the 2027-2028 period

New completions in the **City Fringe East, City Fringe North** and **Docklands** are more limited and intermittent

"Higher construction and development finance costs are conspiring to constrain the development pipeline leading to lower vacancy rates across London and declining choice for footloose tenants."

Graph 2
The London Office Development / Refurbishment Pipeline
Source: Carter Jonas



Total development pipeline
c.26.1m sq ft

Proportion of pipeline with construction underway
39.3%

Floorspace delivering in Q4 2026 without a pre-let
c.1.1m sq ft

Peak in completions
Q1 2028

Rents and Rent Free Periods

Table 2
Typical Rent Free Periods & Rent Discounts By Sub-Market - Q3 2026 - New / refitted & Refurbished Grade A Space (Not fitted plug-in-and-go)
Source: Carter Jonas

Location	Typical Rent Free Period (lettings over 5,000 sq ft)		Typical Rent Discount (%)
	5-year lease	10-year lease	
City of London - St Paul's, Bank, Liverpool Street, Cannon Street	9 - 12	20 - 24	2.0 - 3.0
City Fringe North & North West - Shoreditch, Clerkenwell, Farringdon	11 - 13	24 - 26	2.5 - 4.0
City Fringe East - Aldgate East, Spitalfields	12 - 13	24 - 26	3.0 - 4.5
Midtown - Bloomsbury, Holborn, King's Cross, Covent Garden	9 - 12	22 - 24	1.5 - 3.5
West End (Central) - Mayfair & St James's	8 - 12	20 - 24	0 - 3.0
West End (North & East) - Marylebone, Fitzrovia, Soho	8 - 12	20 - 24	1.5 - 3.0
West End (West) - Paddington	9 - 12	21 - 24	1.5 - 3.0
West End (South) - Victoria, Westminster	9 - 12	21 - 24	1.0 - 3.0
South Bank - Waterloo, Southwark, London Bridge	9 - 12	21 - 24	2.0 - 3.5
East London - Docklands - Canary Wharf, Wood Wharf	12 - 15	25 - 30	3.5 - 6.5
East London - Stratford	13 - 15	24 - 28	3.5 - 6.5
West London - Hammersmith, White City, Chiswick	12 - 15	24 - 28	3.5 - 6.5
South West London - Vauxhall, Battersea	12 - 14	24 - 26	3.0 - 6.0

Advertised Rents

Robust demand and low vacancy across much of central London is continuing to put upward pressure on advertised rents for new and refurbished Grade A office space with good environmental credentials and A or B energy performance ratings.

The insurance and banking district in the City of London and Mayfair and St James's in the West End – areas where the imbalance between supply and demand is most acute – show some of the highest annual rates of rental growth – see Table 1. Canary Wharf, which offers occupiers high-quality space at a significant discount to the central business districts, is benefitting from the "ripple-effect" as demand is displaced from central locations because of high annual occupancy costs and a lack of choice – see Tables 3 and 4.

Based on current supply pipeline data – see Graphs 1 and 2 - it is likely to be the beginning of the next decade, before a more even balance between supply and demand in central London is restored. Until then, limited choice and rising rents are anticipated to prevail. Those footloose tenants seeking better value are therefore likely to favour peripheral locations including the City fringe, Canary Wharf and Hammersmith.

Rent Discounts & Rent Free Periods

The discounts that can be negotiated on landlords advertised rents for new and refurbished Grade A space vary significantly across central London, reflecting the disparity in the supply and demand dynamics of each district. Table 2 provides more information.

The ongoing mismatch between supply and demand in the Grade A office market segment is being reflected in the continued rise in advertised rents (see Table 1). The levels of rent discount that can be negotiated is gradually declining in those locations where there is an acute shortage of Grade A office space with good sustainability credentials. In some districts it may not be possible to secure any discount – this point is particularly relevant in the case of the Mayfair and St James's districts where competition among occupiers to secure the best space can be intense.

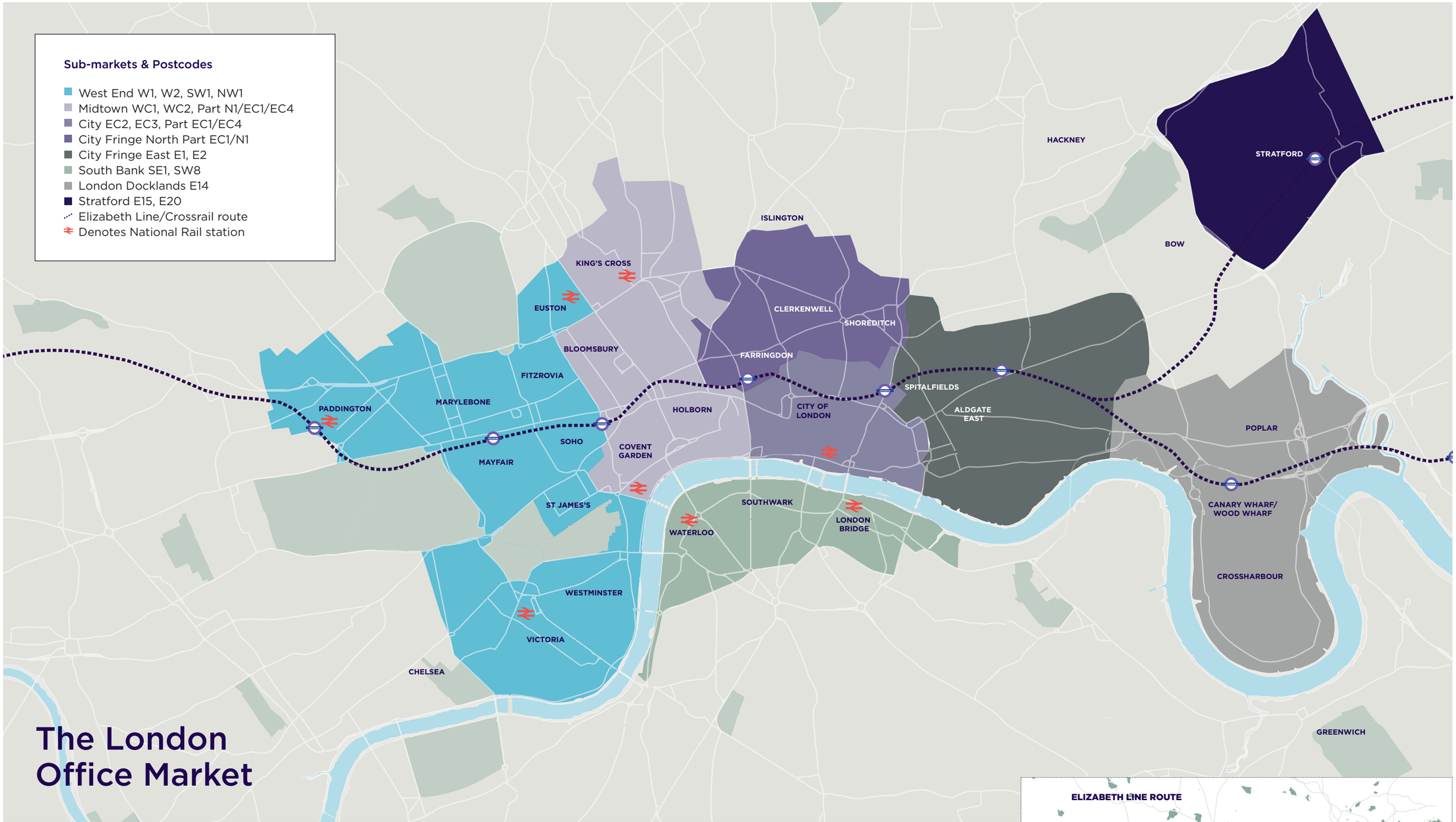
Similarly, the length / value of rent free periods that can be negotiated across central London will vary reflecting the different supply and demand dynamics of each district. While the fortunes of Canary Wharf in east London have picked up since the middle of last year, reflecting the limited availability of good value space in the more central districts, the levels of rent free periods that can be negotiated on lettings in this district are still appreciably more generous than those that can be agreed in areas such as Mayfair and St James's - see Table 2.

Rent free periods for new and refitted Grade A space are likely to remain broadly static for the next two quarters as landlords reflect the imbalance between supply and demand in higher rents – a strategy that is designed to underpin investment asset values.

"Robust demand and low vacancy across much of central London is continuing to put upward pressure on advertised rents for Grade A space with good environmental credentials."

Summary of Forecast Market Trends

↗	**Demand**	Footloose occupiers seeking Grade A space are likely to widen their areas of search reflecting declining choice and rising rents in the central business districts.	Demand is likely to increase over the next twelve months for peripheral locations including the City fringes, Canary Wharf and Hammersmith that offer more choice at lower cost.
↗	**Pre-letting activity**	A continuing trend for property searches to be started earlier, reflecting declining vacancy / choice, and a rise in occupiers committing to pre-let leasing agreements on space that is under construction / refurbishment to secure space ahead of rivals.	
↘	**Supply**	Declining levels of immediately available new and refitted Grade A space across the West End, Midtown and City of London sub-markets for the foreseeable future.	The continued pre-letting of space that is under construction will reduce the pipeline supply of accommodation that is available for immediate occupation reaching the market.
→	**Advertised rents**	For new prime-located best-in-class Grade A space in areas of acutely low vacancy are likely to edge up by the end of the year, reflecting the mismatch between supply and demand.	Rents for the remainder of the Grade A office market are likely to remain broadly flat.
→	**Discounts on advertised rents**	For new Grade A space across central London are likely to remain broadly static for at least the next two quarters – underpinned by low vacancy.	
→	**Rent free period incentives**	For new and refitted Grade A space across central London are likely to remain broadly static for the next two quarters as landlords reflect the imbalance between supply and demand in higher rents.	
↗	**Bargaining position in lease negotiations**	The bargaining power in lease negotiations on new, well located, Grade A space is likely to remain in favour of landlords for the foreseeable future, reflecting low vacancy and limited choice for tenants.	Tenants will have a stronger bargaining position in lease negotiations on poorly located buildings and low-quality space with poor sustainability credentials.
↗	**Lease length/ break options**	Landlords of new and refitted best-in-class space are likely to press for longer leasing commitments reflecting declining choice for footloose tenants.	Tenants are likely to secure greater lease flexibility - shorter leases / more frequent break options – when negotiating on refurbished Grade A space in secondary locations.
↗	**Serviced & managed offices**	Resilient demand for the foreseeable future for serviced and managed office space from start-ups and established businesses that value lease flexibility to hedge against economic uncertainty or to accommodate rapid changes in headcount.	



The London Office Market

The London office market is formed of a series of sub-markets each having quite different supply and demand dynamics, which are reflected in the differing levels of rent and rent free periods that characterise each location.

Office Occupancy Costs

Table 4 of this document provides a summary of the typical rent, business rates and service charge occupancy costs associated with each sub-market for new and refitted, mid-rise, Grade A office space, with good sustainability credentials, over 5,000 sq ft.

Rent Free Periods

Table 2 of this document provides a summary of typical rent free periods for 5 and 10 year leases, by sub-market.

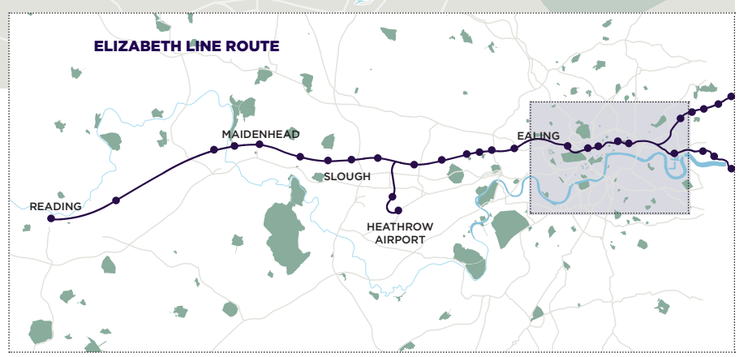


Table 3

The London Office Market – Typical Advertised Rents Q3 2026

Source: Carter Jonas

Location	Grade A		Grade B
	New/Refitted	Refurbished	Refurbished
City			
Prime - Bank, Leadenhall Street	£85.00 - £110.00 (UF = £115.00 - £165.00)	£67.50 - £82.50 (UF = £90.00 - £120.00)	£50.00 - £62.50
Secondary - Blackfriars, Aldgate	£75.00 - £92.50 (UF / RV = £97.50 - £125.00)	£55.00 - £69.50 (UF = £72.50 - £90.00)	£45.00 - £55.00
City Fringe			
North - Shoreditch, Clerkenwell	£67.50 - £77.50 (UF = £82.50 - £95.00)	£55.00 - £65.00	£40.00 - £50.00
North West - Farringdon, Smithfield	£80.00 - £92.50 (UF = £97.50 - £115.00)	£67.50 - £77.50	£50.00 - £62.50
East - Spitalfields	£72.50 - £87.50 (UF = £90.00 - £97.50)	£57.50 - £70.00	£40.00 - £50.00
East - Aldgate East, Wapping	£55.00 - £60.00 (UF = £62.50 - £67.50)	£42.50 - £52.50	£35.00 - £37.50
South Bank			
Waterloo, Southwark, London Bridge	£75.00 - £92.50 (UF / RV = £95.00 - £120.00)	£60.00 - £72.50 (UF / RV = £77.50 - £90.00)	£47.50 - £59.50
East London			
Docklands Prime - Canary Wharf & Wood Wharf	£50.00 - £65.00 (UF = £67.50 - £72.50)	£35.00 - £47.50 (UF = £50.00 - £55.00)	£27.50 - £35.00
Docklands Secondary - Crossharbour	£32.50 - £39.50	£27.50 - £32.50	£22.50 - £27.50
Stratford	£45.00 - £52.50	£35.00 - £42.50	£22.50 - £29.50
West End			
Central - Mayfair, St James's (Prime)	£155.00 - £210.00 (UF = £220.00 - £250.00)	£97.50 - £150.00	£80.00- £90.00
Central - Mayfair, St James's (Secondary)	£120.00 - £150.00	£92.50 - £115.00	£75.00 - £87.50
North - Euston	£79.50 - £97.50 (UF = £100.00 - £115.00)	£65.00 - £77.50	£47.50 - £57.50
North East - Fitzrovia	£95.00 - £135.00 (UF = £140.00 - £150.00)	£77.50 - £92.50	£57.50 - £75.00
North West - Marylebone	£97.50 - £140.00 (UF = £150.00 - £180.00)	£82.50 - £95.00	£65.00 - £77.50
South - Victoria, Westminster, Haymarket	£82.50 - £112.50 (UF = £115.00 - £135.00)	£67.50 - £80.00 (UF = £82.50 - £92.50)	£45.00 - £60.00
South West - Knightsbridge	£92.50 - £115.00	£77.50 - £89.50	£62.50 - £72.50
East - Soho, Regent Street, Leicester Square	£92.50 - £117.50 (UF = £120.00 - £140.00)	£75.00 - £89.50	£57.50 - £70.00
West - Paddington	£77.50 - £92.50 (UF = £95.00 - £102.50)	£65.00 - £75.00	£45.00 - £57.50
Midtown			
North - King's Cross	£82.50 - £97.50 (UF= £100.00 - £110.00)	£67.50 - £77.50	£47.50 - £57.50
South - Covent Garden, Strand	£85.00 - £100.00 (UF / RV = £105.00 - £125.00)	£72.50 - £82.50	£57.50 - £67.50
East - Holborn	£77.50 - £95.00 (UF = £97.50 - £115.00)	£62.50 - £75.00	£47.50 - £60.00
West - Bloomsbury	£85.00 - £97.50 (UF = £100.00 - £125.00)	£67.50 - £82.50	£50.00 - £62.50
South West London			
Chelsea	£85.00 - £115.00	£67.50 - £82.50	£50.00- £62.50
Battersea, Nine Elms, Vauxhall	£57.50 - £70.00 (UF = £72.50 - £80.00)	£45.00 - £55.00	£37.50 - £43.00
West End			
South Kensington	£80.00 - £115.00	£67.50 - £77.50	£45.00 - £57.50
Olympia	£60.00 - £82.50	£42.50 - £55.00	£35.00 - £40.00
Hammersmith	£49.50- £58.50	£40.00 - £47.50 (UF = £55.00 - £57.50)	£32.50 - £42.50
White City	£55.00 - £65.00	£42.50 - £52.50	£32.50 - £40.00
Chiswick	£48.50 - £55.00	£37.50 - £47.50	£32.50 - £37.50
Ealing	£47.50 - £55.00	£36.50 - £45.00	£29.50 - £36.50

Rents = £ per sq ft per annum | space over 5,000 sq ft | UF= Upper Floors | RV = River Views

Grades of Office Accommodation

For marketing purposes office accommodation is generally categorised into Grades:

Grade A
Space fitted with air conditioning & passenger lift facilities & fully accessible raised floors for data / telecoms cable management

Grade B
Accommodation that typically incorporates under floor or perimeter trunking for data / telecoms cable management, rather than raised floors, and / or air cooling facilities, instead of an air conditioning system that dehumidifies & draws fresh air in to the building

Refitted space
Accommodation where the entire building, including the common parts, has been refitted and is "as new", incorporating new building services, including lighting, air conditioning and passenger lift facilities

Refurbished space
Premises where the existing building services have been overhauled, rather than replaced with new systems

"Demand is likely to increase over the next twelve months for office space in peripheral locations including the City fringes, Canary Wharf & Hammersmith that offer more choice at lower cost."



Principal Office Occupation Costs

Table 4

Comparison of Rent, Business Rates and Service Charge Office Occupancy Costs by Sub-Market - Q3 2026

Source: Carter Jonas

Sub-market	Rent	Business Rates	Service Charge	Total
City of London Prime – Bank, Leadenhall Street	£95.00	£37.00	£17.00	£149.00
City of London Secondary - Blackfriars, Aldgate	£80.00	£32.50	£17.00	£129.50
City Fringe North - Shoreditch, Clerkenwell	£72.50	£27.30	£16.00	£115.80
City Fringe North West - Farringdon, Smithfield	£92.50	£34.50	£16.00	£143.00
City Fringe East - Aldgate East	£57.50	£26.75	£16.00	£100.25
City Fringe East - Spitalfields	£77.50	£30.00	£16.00	£123.50
South Bank - Southwark, London Bridge	£87.50	£29.00	£16.00	£132.50
East London - Canary Wharf	£60.00	£17.25	*£19.75	£97.00
East London - Crossharbour	£35.00	£12.75	£15.50	£63.25
East London - Stratford	£47.50	£17.90	*£16.00	£81.40
Midtown West - Bloomsbury	£90.00	£40.00	£16.00	£146.00
Midtown East - Holborn	£85.00	£36.50	£16.00	£137.50
Midtown North - King's Cross	£95.00	£41.00	£16.00	£152.00
Midtown South - Covent Garden	£92.50	£40.00	£16.00	£148.50
West End Central - Mayfair, St James's	£180.00	£67.00	£17.00	£264.00
West End North West - Marylebone	£115.00	£46.50	£16.00	£177.50
West End North East - Fitzrovia	£107.50	£45.00	£16.00	£168.50
West End South - Victoria, Westminster	£97.50	£41.00	£16.00	£154.50
West End South West - Knightsbridge	£105.00	£45.45	£16.00	£166.45
West End West - Paddington	£87.50	£40.00	£16.00	£143.50
West End East - Soho	£107.50	£45.00	£16.00	£168.50
West London - Hammersmith	£55.00	£26.00	£15.00	£96.00
West London - White City, Shepherds Bush	£60.00	£25.00	£15.00	£100.00
South West London - Battersea, Nine Elms	£65.00	£30.00	£15.00	£110.00

Typical costs per sq ft per annum for new and refitted mid-rise Grade A space over 5,000 sq ft, non-ready fitted out, excluding VAT

Rent, business rates and building service charge costs form the principal office occupancy overheads.

Value Added Tax

Where a property has been opted to tax by the landlord, the tenant will be required to pay VAT on the rent and service charge payments due under the lease. Charities, banks, insurance companies and some businesses operating in the medical profession will typically wish to avoid properties that have been opted to tax given their inability to recover 100% of their VAT costs.

Business Rates Relief

Business rates relief of up to 80% is typically available to organisations with charitable status providing that certain qualifying criteria are met.

Notes

- Rents are typical landlords' advertised rents for space that is not ready fitted out (plug-in-and-go) and exclude the value of rent free periods
- Business rates cost estimates are from 1 April 2026 and include the Elizabeth Line / Crossrail levy but exclude any transitional relief
- * includes estate charge
- Total costs are estimates and exclude building insurance and tenant's own utilities costs
- Rents for the upper floors of tower buildings will typically command a premium of circa 25 - 50% above those illustrated in the table
- The cost estimates in the table are provided for guidance only. Actual occupancy costs and will vary from building to building.



Key Leasing Transactions During Q3 2026

The financial services and legal services sectors feature prominently in the third quarter take-up statistics as the AI sector – a prime driver of demand during the first half of the year – takes a pause for breath.

Pre-letting activity also remains a key trend for large-scale lettings as demonstrated by the leasing of 470,000 sq ft at 1–10 Bishops Square, Spitalfields, E1 to US financial services business Jane Street.

Canary Wharf again features in the quarterly key take up figures following the letting of 151,000 sq ft to Deutsche Bank at YY London, 30 North Colonnade.

Figure 1
Key Office Lettings - Q3 2026
Source: Carter Jonas

City of London

Morningstar
Financial Services
One Millennium Bridge, High Timber Street, EC4
75,560 sq ft

Sandbox Workspace
Flexi Offices
1 Whittington Avenue, EC3
36,500 sq ft

MetLife
Insurance Services
10 Gresham Street, EC2
32,400 sq ft

Mace Consult
Real Estate
6 Devonshire Square, EC2
20,580 sq ft

CNA Hardy
Insurance Services
90 Fenchurch Street, EC2
11,115 sq ft

PIB Insurance Brokers
Insurance Services
88 Leadenhall Street, EC3
15,420 sq ft

Rubrik
Technology
Broadgate Tower, 20 Primrose Street, EC2
13,000 sq ft

Debevoise & Plimpton
Legal Services
28 Tudor Street, EC4
33,000 sq ft

City Fringe - North

Techspace
Flexi Offices
Finsbury Dials, 20 Finsbury Street, EC2
26,120 sq ft

Audio Network
Media
The Tower (The Bower) - 207 Old Street, EC1
9,570 sq ft

City Fringe - North West

FARRINGDON

Kepler Group
Media
32-38 Saffron Hill, EC1
6,835 sq ft

City Fringe - East

SPITALFIELDS

Jane Street
Financial Services
One Spitalfields, 1-10 Bishops Square, E1 (Pre-Let)
470,000 sq ft

West End - North

EUSTON

Verda
Technology (AI)
24 Eversholt Street, NW1
6,795 sq ft

West End - North East

FITZROVIA

United Talent Agency
Media
1 Rathbone Square, W1
68,020 sq ft

West End - North West

MARYLEBONE

M Core
Asset Management
1 James Street, W1
9,690 sq ft

West End - South

VICTORIA, WESTMINSTER

Sandbox Workspace
Flexi Offices
215 Vauxhall Bridge Road, SW1
16,215 sq ft

West End - West

PADDINGTON

BP Castrol
Oil & Gas
3 Sheldon Square, W2
13,440 sq ft

East London

CANARY WHARF

Deutsche Bank
Financial Services
YY London, 30 North Colonnade, E14
151,000 sq ft

POPLAR

Global Banking School
Education
Export @ Republic, 1 Clove Crescent, E14
15,190 sq ft

Midtown - North

KING'S CROSS

Bending Spoons
Technology
Thorley Works, All Saints Street, N1
21,900 sq ft

Midtown - West

BLOOMSBURY

Mishcon de Reya
Legal Services
MidCity Place, 58-71 High Holborn, WC1
161,000 sq ft

Setfords
Legal Services
46-47 Chancery Lane, WC2
6,300 sq ft

South Bank - Southwark

LONDON BRIDGE

British International Investment
Development Agency
6 More London Place, SE1
44,110 sq ft

VAUXHALL

Beyond
Flexi Offices
30-34 Old Paradise Street, SE11
10,000 sq ft

West London

HAMMERSMITH

Arora Works
Flexi Offices
1 Butterwick, W6
33,711 sq ft

The Rise of the Office Owner-Occupier

Owner-occupier acquisitions are becoming an increasingly prominent feature of London's office market. They accounted for almost 14% of occupier activity in 2025, compared with 10% or less throughout much of the preceding decade.

This trend has been supported by the repricing of office assets, with capital values having fallen significantly from their peak while occupational costs have continued to rise. For well-capitalised businesses with long-term space requirements, purchasing office space can therefore compare favourably with leasing.

The rationale extends beyond pricing. Ownership provides long-term control over strategically important premises, greater flexibility to adapt the workplace to evolving business needs, and increased certainty over future occupational costs. These benefits may be particularly valuable in central London, where the supply of large, high-quality office space remains constrained.

Barclays' acquisition of its Canary Wharf headquarters is the most high-profile recent example of this trend and reflects the growing use of owner-occupation to secure strategically important workplaces for the long term.

From a seller's perspective, in addition to sale to a property investor, occupier demand may provide an additional route to disposal, particularly for landlords facing upcoming vacancies, a refurbishment programme or significant capital expenditure.

However, ownership is unlikely to be appropriate for all occupiers. The principal advantages and disadvantages are summarised on the next page.

"For well-capitalised businesses with long-term space requirements, acquiring office space can therefore compare favourably with leasing."

✓ Positive	✗ Negative
Cost certainty Eliminates exposure to future rent increases and lease renewal negotiations.	**Large upfront capital requirement** Capital tied up in property cannot be deployed elsewhere in the business.
Occupational control Freedom to refurbish, reconfigure or extend the building without landlord approval.	**Reduced flexibility** More difficult to downsize, relocate or adapt to changing workforce requirements.
Potential long-term savings Ownership may be cheaper than leasing where office values are relatively low and rents are rising.	**Property market risk** Capital values may fall, reducing the value of the investment.
Asset creation Occupation costs contribute towards ownership of a tangible asset rather than rental expenditure.	**Maintenance responsibility** The occupier becomes responsible for repairs, compliance and capital expenditure.
Avoidance of dilapidations costs Purchasing a building that is currently being leased can remove the need to settle significant lease-end dilapidations liabilities.	**Management burden** Requires greater property and facilities management expertise.



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