

# LONDON



## OVERVIEW

We continue to see a 'flight-to-quality' amongst London office occupiers who wish to rationalise their working environments, often reducing their total footprint whilst significantly enhancing the quality of space they occupy.

A key theme in recent years is the rapid expansion of co-working firms like WeWork and Knotel. WeWork has taken more than 3 million SF across London since entering the market in 2014, making it the biggest corporate occupier of office space in the capital.

## FUNDAMENTALS

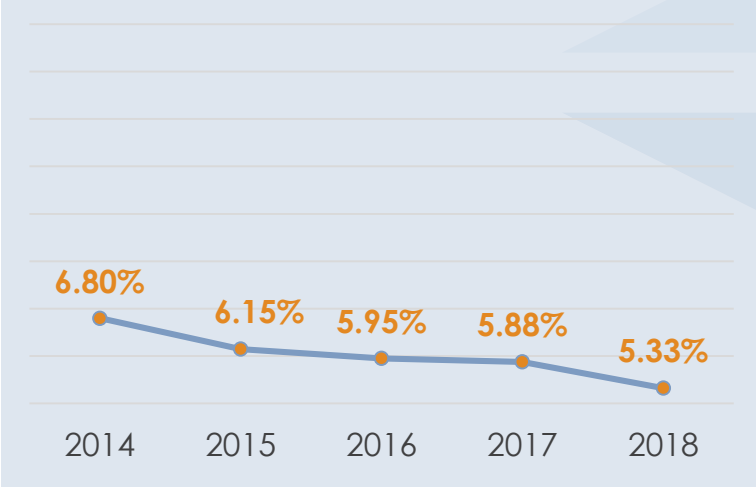
Forecast

<b>YTD net absorption</b>	3,965,689 SF	▲
<b>Under construction</b>	15.1 million SF	▼
<b>Average asking rent (gross)</b>	£70.00 per SF	▶
<b>Concessions</b>	21 months rent free	▶

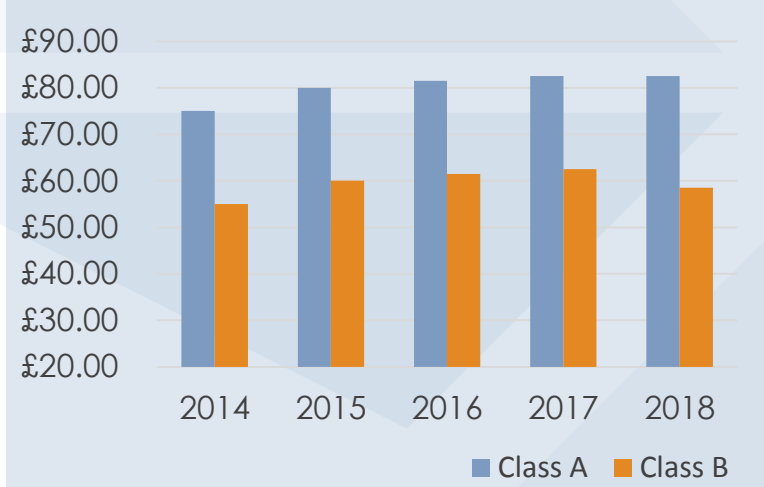
  

<b>Market Size</b>	<b>Largest Office Deal</b>	<b>Total Vacancy</b>
<b>385 Million SF</b>	<b>826,007 SF</b>	<b>4.7%</b>

## TOTAL VACANCY



## AVERAGE ASKING RENTS



## OUTLOOK

- Co-working expansion inflates take-up figures, but such deals do not reflect demand in the true sense.
- The availability rate in small, sub-20,000-SF buildings in Central London rose to its highest level in seven years in the second quarter of 2019.
- More broadly, vacancies across London are likely to edge upwards this year as a wave of new supply hits the capital.
- Occupier demand is relatively stable despite the uncertainty created by Brexit and the wider global economic slowdown.
- High quality stock in major town and city centres across the UK is in high demand as a result of many regional occupiers relocating from peripheral business parks to central locations in order to recruit and retain top talent.

For more information, please contact:



Mike Voller | [mvoller@spring4.com](mailto:mvoller@spring4.com) | +44 20 7397 8262



global tenant representation

[exisglobal.com](http://exisglobal.com) | [info@exisglobal.com](mailto:info@exisglobal.com)