

LONDON



Market Insights for Tenants: At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

OVERVIEW

London's capacity to rejuvenate and adapt to new challenges has served it well over its history, and these strengths are about to be tested again. Employment growth, which surprised on the upside in 2019 as London continued to outperform both the rest of the UK and competing European cities, will almost certainly turn negative in 2020 as the coronavirus outbreak hits business confidence. Leasing has slowed sharply in recent months. Meanwhile, the business models of co-working firms, a big driver of office demand in London in recent years, are coming under strain as firms opt not to renew short-term leases.

London's vacancy rate has finally begun to edge upwards since reaching its lowest level in more than 15 years in the first half of 2019. That pattern is likely to continue as demand slows and new projects and tenant release space hits the market.

FUNDAMENTALS

Forecast

YTD net absorption	-198,974 ft² ▼
Under construction	16.7 million ft² ▲
Average asking rent (gross)	£65.00 per ft² ▼
Concessions	24 months rent free ▲
 Market Size	 Largest Office Deal
385 Million ft²	307,195 ft²
	Total Vacancy
	5.1%

TOTAL VACANCY



AVERAGE ASKING RENTS



Metrics Used: £GBP per ft² per annum

For more information, please contact:



Mike Voller | mvoller@spring4.com | +44 7739 736699



global tenant representation

exisglobal.com | info@exisglobal.com

LONDON



exis

Spring4

WHAT THIS MEANS FOR TENANTS

The majority of London's office-based workforce has spent the last few months adjusting to home-working, companies are now beginning to implement near-term 'return to work' strategies, and we must question how tenants will occupy office space in the future.

Undoubtedly, the way in which we all work is changing; flexibility, home working with improved technology, staff wellness and cost will be at the heart of tenants' occupational real estate strategies. Current thinking points towards most tenants needing less space in future. However, with culture,

collaboration, training, and the recruitment and retention of top talent continuing to be as important as ever, we see discerning organizations still requiring appropriate physical office environments.

The impending recession and emerging supply and demand dynamics will see the market for London offices swing in the favour of tenants. As landlords become increasingly concerned about the short and medium-term prospects for lettings, well-advised tenants can achieve favourable terms on lease acquisitions and renewals.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Linklaters	20 Ropemaker Street	City	Pre-let	307,195
BP	Cargo, 25 North Colonnade	Canary Wharf	Pre-let	205,000
Google	286 Euston Road	West End	Letting	134,859
Barts Health NHS Trust	20 Churchill Place	Canary Wharf	Subletting	45,100
IPG Mediabrands	16 Old Bailey	Midtown	Pre-let	93,161
Convener	80 Fenchurch Street	City	Pre-let	67,245
Exane	1 Newman Street	West End	Letting	40,000
IPC Information Systems	40 Bank Street	Canary Wharf	Letting	17,900
Gateley Plc	1 Paternoster Square	City	Letting	16,300

Copyright © 2020 Spring4. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Spring4. The firm makes no representation concerning the accuracy or completeness of such information and expressly disclaims any responsibility for any inaccuracy contained herein.

For more information, please contact:

Mike Voller | mvoller@spring4.com | +44 7739 736699



exis

global tenant representation

exisglobal.com | info@exisglobal.com