

London Office Rent Report 2019/20



London Rent Rates 2019/20

The decline of Grade A office space



Grade A demand

Intro

With the UK anxiously anticipating the outcome of Brexit, it is a time of uneasy consistency for the cost of space in London. The economy has endured market uncertainty since the extension of Article 50, however, the further delay of the deadline will prolong this period of equivocation, preventing any major changes in investment.

The high demand for both flexible and Grade A office space is continuing to tempt investors to the London market, but how long can this last in the wake of Brexit?



Availability

Focus

Oversubscribed pre-letting activity is limiting the availability of Grade A space. Over the past year, take-up of high-quality office space has increased beyond supply levels, prompting landlords to raise rent rates. In 2020, decreasing vacancy levels will force businesses to consider alternative renting options and, due to lack of new entrants, it is unlikely that the London market will see further of Grade A growth in the near future.

Flexible office space is on the rise, with more space taken up in top regional cities in the first half of 2019 than in the whole of 2018. The acquisition rate by flexible office providers was lower in the beginning of the year, but a surge is expected to take place in the second half of 2019.

Developers are still buying space in London, as the pound fluctuates in value, allowing investors to save on new opportunities. Despite ambiguity surrounding Brexit, London remains on top in terms of stability, liquidity and transparency, with potential for a gradual rent increase.



Take-up

Outlook

As the global state of climate crisis progresses, developers will find an advantage in the incorporation of new sustainable technology in the workplace.

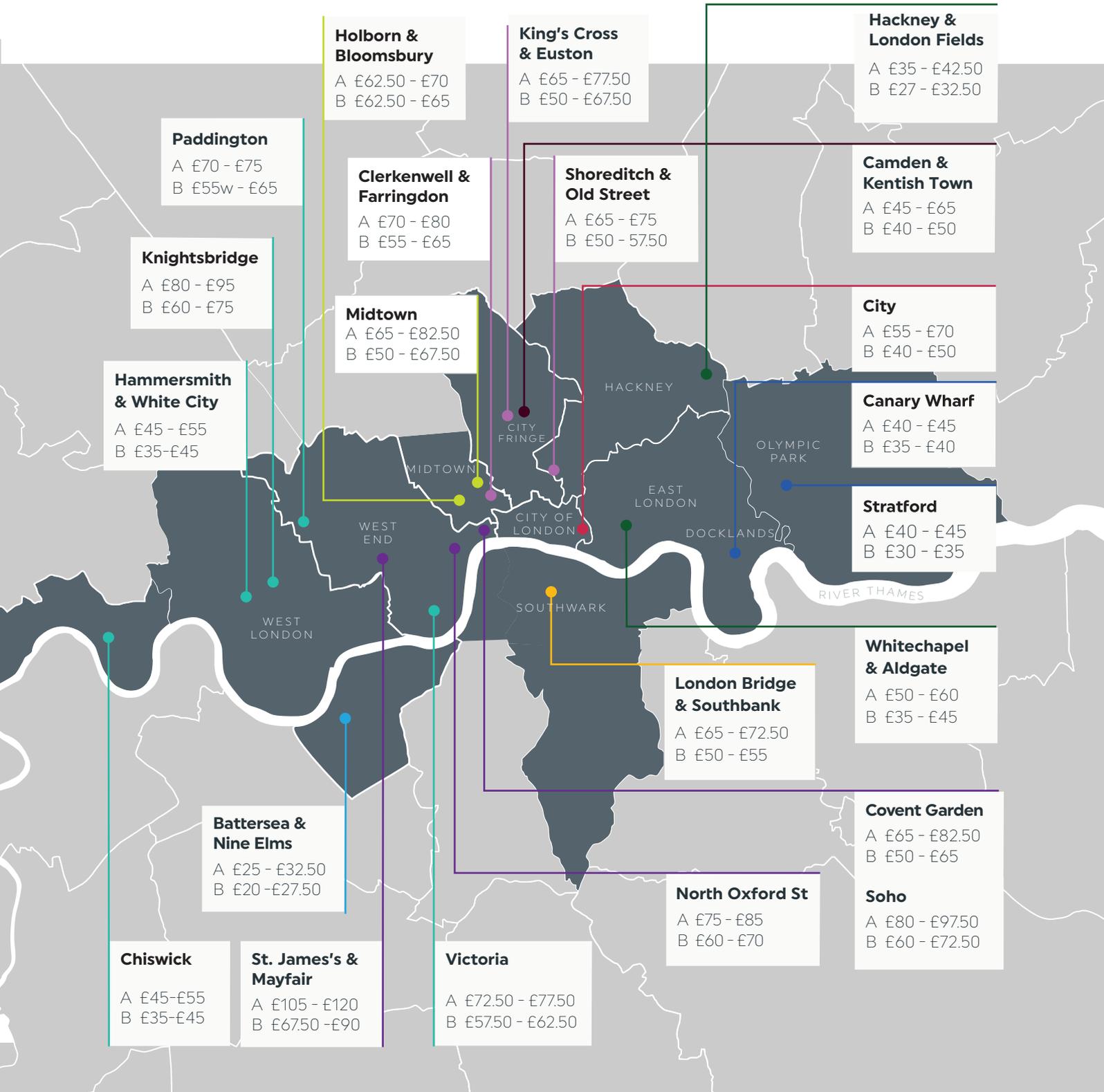
In spite of the political unrest in the UK, the central London property market remains strong. The cost of office space will likely fluctuate again in 2019, but there is reason to remain positive that the resilience of the market will endure.

AVERAGE PRIME RENTAL VALUES (SQ FT)

	GRADE A New or recently developed office buildings. Finished in order to complete for premier office users. Contains raised floors, suspended ceilings, new HVAC system.	GRADE B Office buildings that are finished to a good or fair standard; functional materials are used. Contains adequate facilities.
Knightsbridge	£80 - £95	£60 - £75
Hammersmith & White City	£45 - £55	£35 - £45
Victoria	£72.50 - £77.50	£57.50 - 62.50
Paddington	£70 - £75	£55 - £65
Chiswick	£45-£55	£35-£45
St. James's & Mayfair	£105 - £120	£67.50 - £82.50
Covent Garden	£65-£82.50	£50-£65
Soho	£80 - £97.50	£60 - £72.50
North Oxford Street (East & West)	£75 - £85	£60 - £70
Midtown	£65 - £82.50	£50 - £67.50
Holborn & Bloomsbury	£62.50 - £70	£62.50 - £65
London Bridge & Southbank	£65 - £72.50	£50 - £55
City	£55 - £70	£40 - £50
King's Cross & Euston	£65 - £77.50	£50 - £67.50
Clerkenwell & Farringdon	£70 - £80	£55 - £65 ↑
Shoreditch & Old Street	£65 - £75	£50 - £57.50 ↑
Whitechapel & Aldgate	£50 - £60	£35 - £45 ↑
Hackney & London Fields	£35 - £42.50	£27.50 - £32.50
Stratford	£40 - £45	£30 - £35
Canary Wharf	£40 - £45	£35 - £40
Battersea & Nine Elms	£25 - £32.50	£20 - £27.50
Camden & Kentish Town	£45 - £65	£40 - £50

LONDON

AVERAGE PRIME RENTAL VALUES (SQ FT)



THANKS FOR READING

We hope you've found our guide helpful and insightful. If you'd like to learn more, have a specific question or want to discuss your project, feel free to get in touch with us at:

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