Q2 2026

Central London Office Market Snapshot

DEVONO

4 Central London Office Leasing

10 Central London Office Availability

14 Central London Office Rents

24 Central London Flexible Offices

28 Central London Outlook

30 Available Office Spaces

32 About Devono

Q2 2026 Central London office market *snapshot.*

Leasing

Leasing activity strengthened in Q2, buoyed by a rise in the size of the deals being signed, amidst increasing activity from the tech sector and shifting location preferences.

Availability

Availability is squeezed across all space qualities, with the eastern markets seeing the most substantial reductions.

Rents

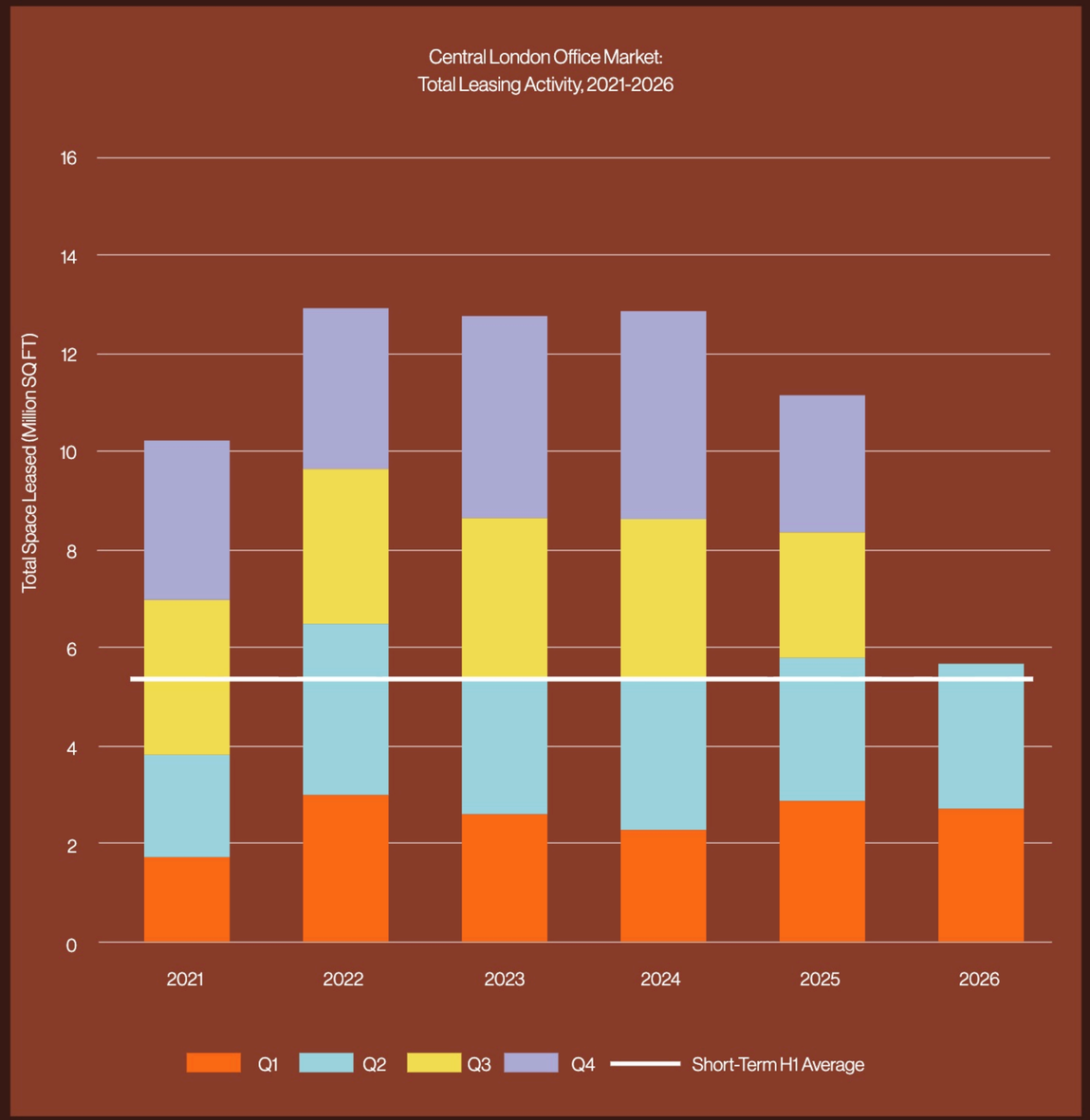
Prime Grade A rental growth was mainly recorded in areas seeing renewed demand, while a greater number of locations recorded prime Grade B rental growth.

Flexible offices

Serviced office providers have kept desk rates largely stable for another quarter, instead prioritising occupier retention as substantial rises are predicted in the coming quarters.



London Office Market | Leasing



LEASING HIGHLIGHTS

2.9 M
sq ft of space leased in Q2 – up 9% on Q1

352
deals signed – down 2% on Q1

8,381
sq ft average deal size – up 11% on Q1

REBUILDING MOMENTUM

Following a slight slowdown in the first quarter, central London office leasing regained pace in Q2. The amount of space leased lifted on last quarter, supported by firms leasing spaces at a larger average size.

This pushed take-up over the first half of the year to 5.7 million sq ft. While down on that leased by this point last year, the half-year total for 2026 now equates to 51% of the full-year total from 2025, not eliminating the possibility that we will see year-end levels overtake those of last year.

SEEKING SIZE AND QUALITY

While the number of deals signed dipped marginally in Q2, the dip has been in the demand for smaller spaces. In fact, the number of mid-sized deals (10,000–25,000 sq ft) and large deals (25,000 sq ft+) increased on last quarter, by 7% for the former and 35% for the latter.

This has been accompanied by an increase in demand for Grade A space; the number of deals signed for space of this quality increased by a substantial 24% on Q1, fuelled mainly by more signings for newly refurbished spaces.

A NEW SENSIBILITY

Although small spaces sized below 10,000 sq ft still make up the majority of new signings (81%), and most of the deals signed have been for secondhand space (76%), current patterns of demand show that those firms that are able to are pushing larger on size requirements and opting for Grade A where possible.

This suggests the post-pandemic focus on downsizing to match lower occupancy has faded, with firms now turning their attention back to delivering on the office experience.



Technology

- As was the case in Q1, the technology sector was the largest occupier by leasing volume in Q2, with the five largest deals from this sector all having been signed by AI firms.
- Anthropic let 158,000 sq ft at 1 Triton Square and Microsoft took the entirety of Film House for its AI division, while Devono advised OpenAI on its 87,000 sq ft letting over the Jahn Court and Brassworks buildings.
- The sector also signed for the greatest number of spaces in Q2, accounting for 24% of total deals signed, with wider activity noted from across a broader spectrum of tech firms including fintech and cybersecurity.

Financial

- This activity from tech firms outweighed that of the financial sector, the traditional leader of central London office leasing. While the sector leased a larger quantity of space than in Q1, it only committed to just over half the amount leased by the tech sector, at 427,000 sq ft compared to 814,000 sq ft.
- Its leasing has remained behind that of the tech sector due largely to a lack of demand from financial occupiers for spaces over 100,000 sq ft, with the sector actually having targeted smaller spaces in greater numbers than last quarter, bucking wider market trends.
- Nevertheless, the sector has maintained its quality requirements, as Grade A continued to account for 26% of deals signed for another quarter.

Wider Sector Landscape

- Out of the 11 key sectors, 6 leased less space than they did in Q1, including the corporate, legal and professional sectors.
- Certain sectors saw stand-out deals while wider activity remained muted: although the insurance sector registered the largest deal of the quarter with Lockton's letting of 234,000 sq ft at 47 Mark Lane, only three firms in total from this sector signed for new space.
- This wider leasing lethargy has meant that the central London office market has become more reliant on leasing from the technology sector.



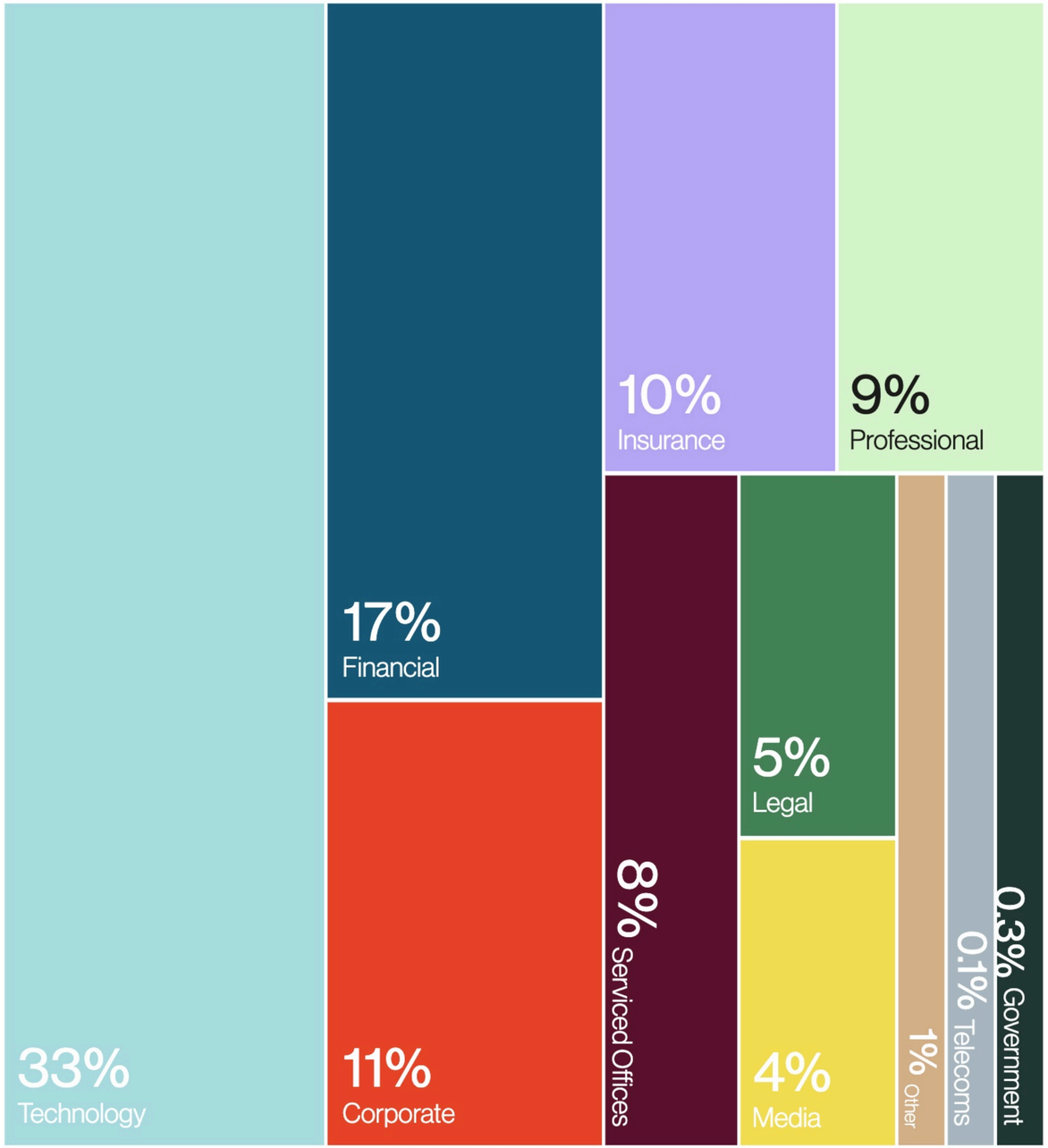
SECTOR HIGHLIGHTS

33%
Technology sector share of space leased – also most active by deals signed (24%)

17%
Financial sector share of space leased – up marginally from 16% in Q1

6
sectors leased less space than in Q1

Central London Office Market: Share Of Space Leased By Sector, Q2 2026



Location

MIDTOWN MAKES A COMEBACK

Amidst lacklustre leasing in previous quarters, Midtown made a comeback in Q2. Although it only accounted for a share of 10% of space leased, the 309,000 sq ft leased in Midtown represented an increase of 84% on Q1. This uplift has come from an increase in the number of firms leasing small and mid-sized spaces, as well as a return of deals over 25,000 sq ft with a confidential letting at 222 Gray's Inn Road.

Alongside this renewed take-up we saw an increase in the proportion of deals signed for Grade A spaces, up to 32% from 13% the previous quarter, suggesting that occupiers are looking to this market for Grade A space as an alternative to some of the pricier West End submarkets.

THE WEST END VS THE CITY: A BREAK WITH TRADITION

The gap between the City's share of space leased and that of the West End shrunk this quarter, with the City's reducing to 39% of the total while the West End's rose to 36%. From the perspective of the number of deals signed, the gap has narrowed further; the City's share of deals signed was only 36% while the West End pushed beyond to 37%.

These changes are underpinned by shifts in the patterns of demand for space in these locations. While the City has traditionally attracted occupiers to its larger floorplates, the West End actually secured more deals over 25,000 sq ft this quarter despite more constrained availability, demonstrating that despite more space having been leased in the City, those occupiers that can find the appropriate space are opting for the West End instead.

> *"Midtown made a comeback in Q2, the 309,000 sq ft leased represented an increase of 84% on Q1"*

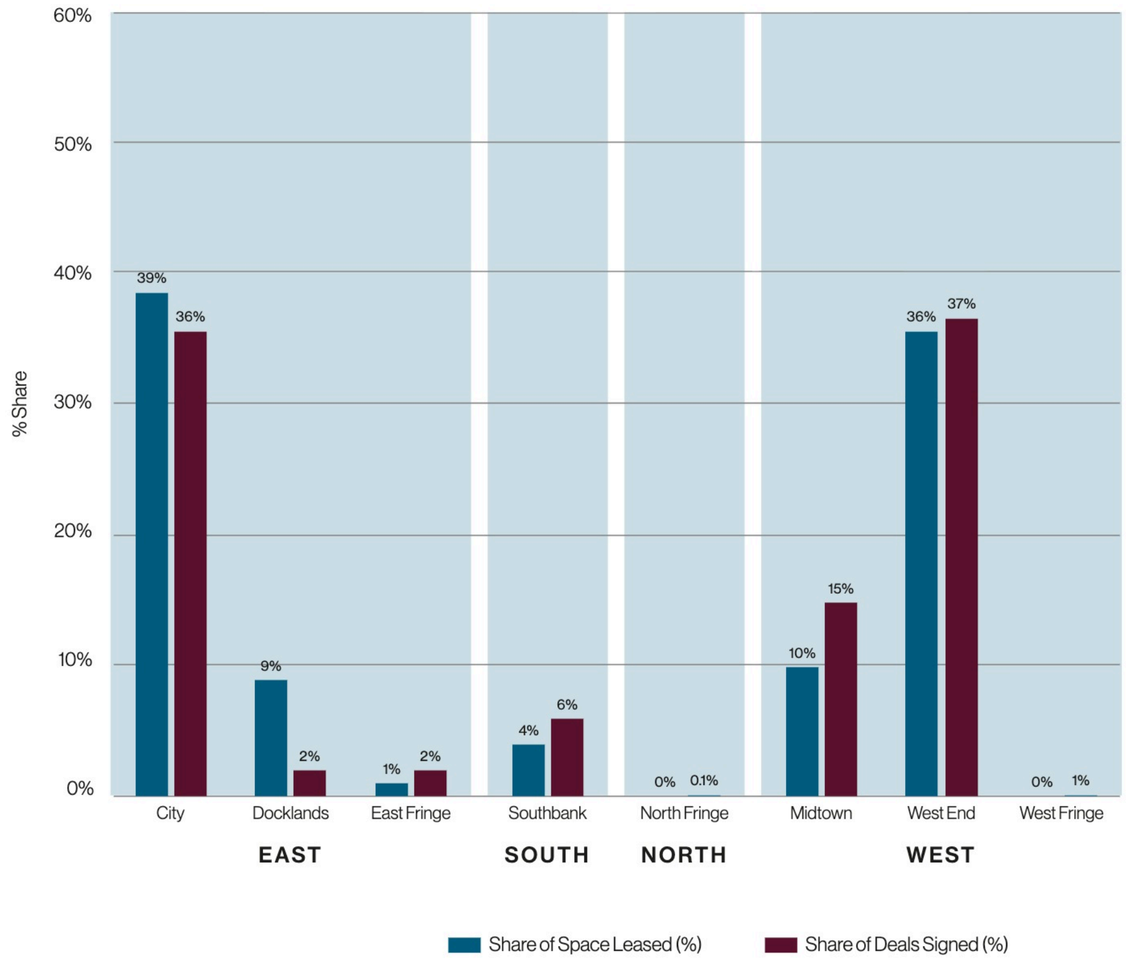
LOCATION HIGHLIGHTS

39%
City share of space leased in Q2 – down from 42% the previous quarter

84%
increase in space leased in Midtown on Q1

263K
sq ft of space leased in Docklands following absence of activity in Q1

Central London Office Market: Share of Space Leased and Deals Signed by Market, Q2 2026



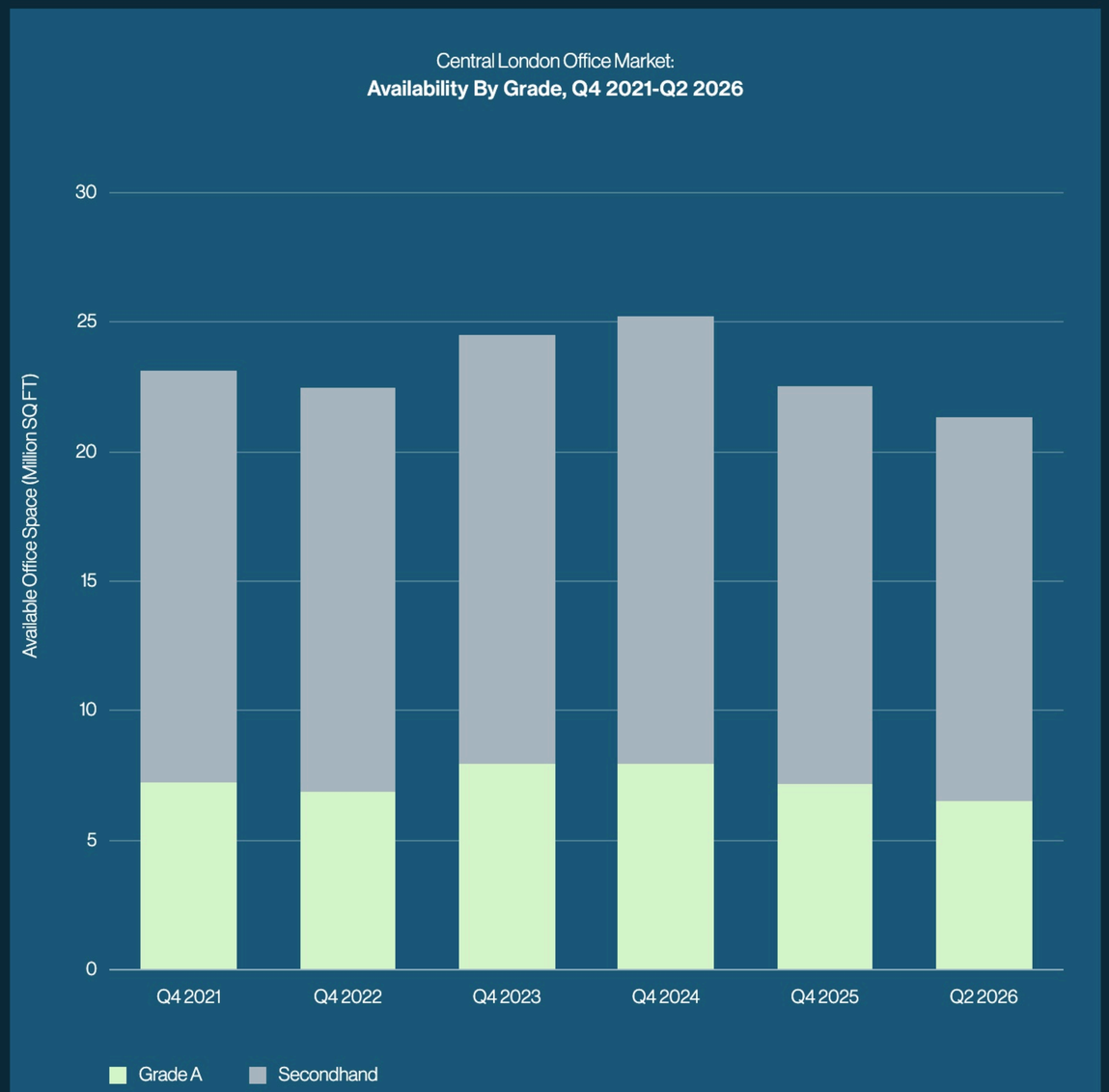
Fringe Appeal

In previous quarters, the fringe markets have served as a refuge for larger deals, offering larger floorplates at a reasonable rent. This has remained the case for Docklands, as not only did leasing activity return to this market following its absence in Q1, but all the deals signed were either mid-sized or larger, suggesting that the availability of large floorplates is serving as a significant draw for the Wharf.

Yet, for the other fringe markets, it has been smaller firms primarily that have been taking advantage of the opportunity for comparative cost savings; for example, although Southbank did see Fora sign for a new centre at 76 Southbank, the remainder of the new signings were for spaces below 25,000 sq ft.

London Office Market | Availability

Central London Office Market:
Availability By Grade, Q4 2021-Q2 2026



AVAILABILITY HIGHLIGHTS

21.3 M
sq ft of space available as of Q2 2026 – down 5% on Q4 2025

30 %
Grade A share of space available

10,765
sq ft average size of space available in central London

SUPPLY TIGHTENS

The total quantity of space available in central London reduced on last quarter and is 5% lower than it was at the end of 2025, amidst heavier pre-letting activity and the pace of delivery of new space slowing.

This has brought the current total to 21.3 million sq ft. Behind this reduction has been a decrease in the available quantity of both Grade A (-9%) and secondhand space (-3%).

The squeeze is likely to be felt especially by occupiers with mid-to-large size requirements, with spaces below 10,000 sq ft making up around three quarters of the spaces available in central London.

> *"Spaces below 10,000 sq ft now make up around three quarters of the spaces available in central London"*



Location *Shifts*

EASTERN AVAILABILITY FALLS

As the pursuit of larger floorplates has pushed occupiers ever further east, availability in the eastern markets has seen more substantial reductions. Total availability in the City is now 6% lower than the level recorded 6 months ago, with Grade A bearing the brunt of the reduction (down 13%).

Further east in Docklands has been where there has been the most substantial reduction, as the current level is 29% lower than that seen at the end of 2025 and 40% lower than it was a year ago.

As has been mentioned, Docklands' larger floorplates have increasingly been targeted by occupiers, which has carved out vast swathes of the available space. This has left the Docklands market with only 1.8 million sq ft of space available as of Q2 2026, of which only 24% is Grade A. As a result, those looking beyond the quality constrained core locations will find that optionality is being fast eroded in Docklands as well.

WEST END STABILISES BUT CONSTRAINTS ON CHOICE REMAIN

Although total availability in the West End has improved slightly since the end of last year, at the submarket level the picture is more diverse.

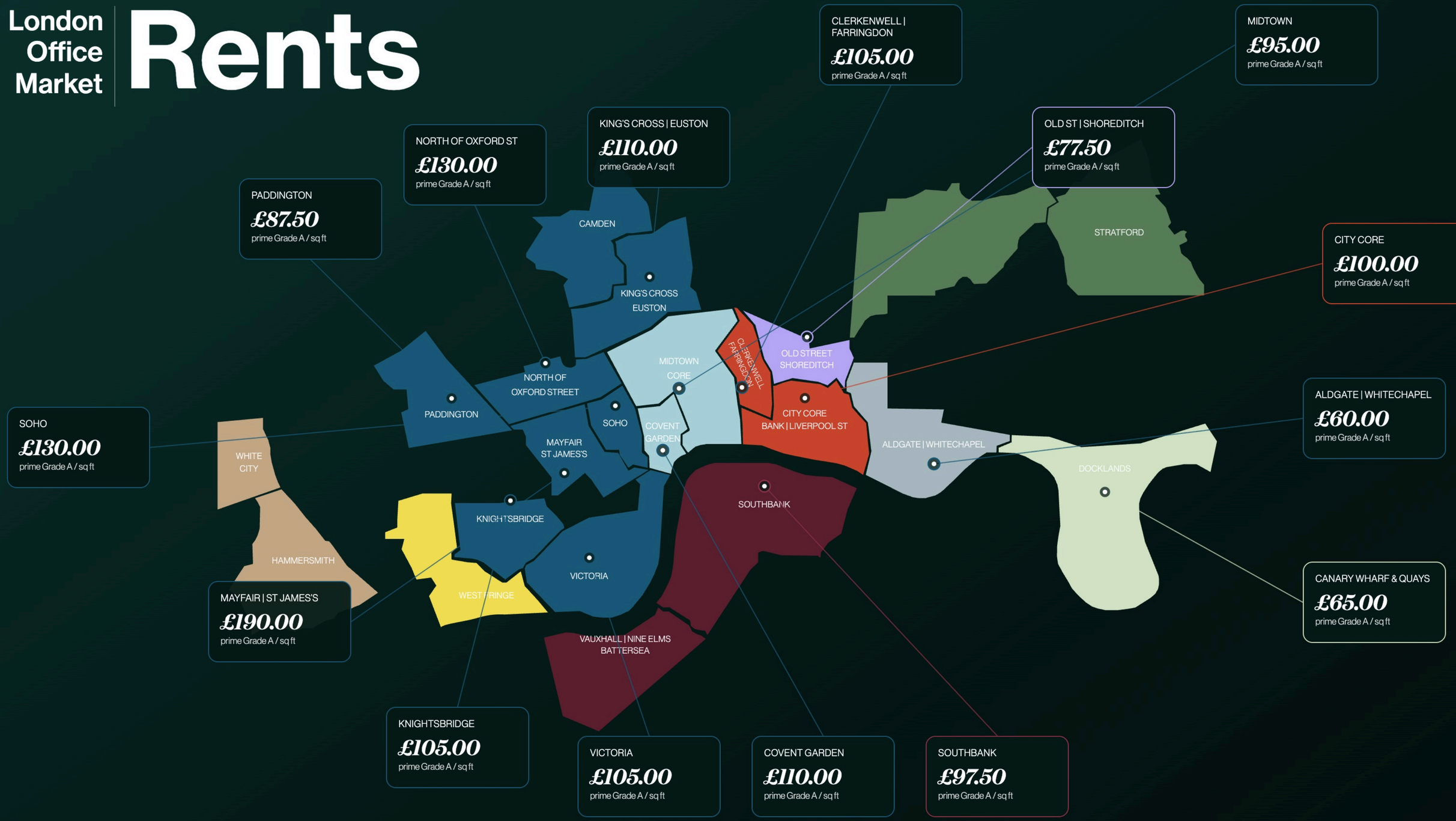
Knightsbridge has seen the most substantial increase in availability since Q4 2025 at 37%, followed by Soho at 29%. However, Knightsbridge's stock still represents only a handful of buildings, while Soho's availability has been bolstered largely by smaller spaces returning to the market. As of Q2 2026 there are no spaces in Soho available via a traditional lease that could cater to a 50,000 sq ft+ requirement.

Meanwhile, three West End submarkets have seen availability tick down over the last 12 months: Paddington (-20%), North of Oxford Street (-17%) and St James's (-13%). So while the quantity available in the West End has improved on that recorded 6 months ago, choice is still constricted, and at the submarket level it remains heavily influenced by availability.





London Office Market Rents



Have rents *grown?*

GRADE B LEADS THE WAY

Following a quarter in which landlords kept Grade B rents stable in light of rising cost pressures on occupiers, Q2 has seen landlords turn their attention back to their secondhand spaces.

Of the West End locations, 3 registered uplifts; the neighbouring submarkets of North of Oxford Street and Soho each recorded a 6% rise alongside a more muted rise of 3% in King's Cross. Meanwhile, pricing lifted across both Midtown Core and Covent Garden, with the former representing the most significant quarterly uplift in central London at 7%. The City's prime level hit £77.50 per sq ft, representing growth of 55% over 5 years, the most substantial shift in Grade B over this period.

The movement of Grade B in the core locations reflects landlord acknowledgement that the majority of the deals being signed in these locations are for good quality secondhand spaces.

A NEW APPROACH TO THE WEST END

While 6 markets saw an increase in Grade B rents, the number was only 3 for Grade A, all of which were West End submarkets.

Landlords have seen fit to keep rents constant in the most expensive West End locations such as Mayfair and North of Oxford Street so as not to deter demand, instead choosing to focus on those locations where demand is shifting.

Victoria has seen renewed occupier interest over the last 6 months, mainly due to the larger floorplates available compared to other West End locations, and in response landlords have lifted Grade A rents for the second consecutive quarter. Meanwhile, Euston has seen some standout activity in the form of Anthropic's letting at 1 Triton Square, which in turn has buoyed landlords to lift Grade A rents to £90.00 per sq ft.

THE FRINGE REFUGE?

All of the uplifts recorded in Q2 across the categories of Grade A and B have been for the core locations, with the fringes having remained stable as landlords have sought to retain their affordability.

However, rents in these locations remain materially elevated, especially for Grade A, with Southbank levels currently 39% higher than they were 5 years ago and 24% higher in Canary Wharf.

Both these locations have seen renewed demand over the first half of 2026 for the latest spaces delivering to the market, and so further uplifts are expected for Grade A in the coming quarters. As such, the comparative affordability of the key fringe locations is set to deteriorate.

RENT HIGHLIGHTS

£90.30

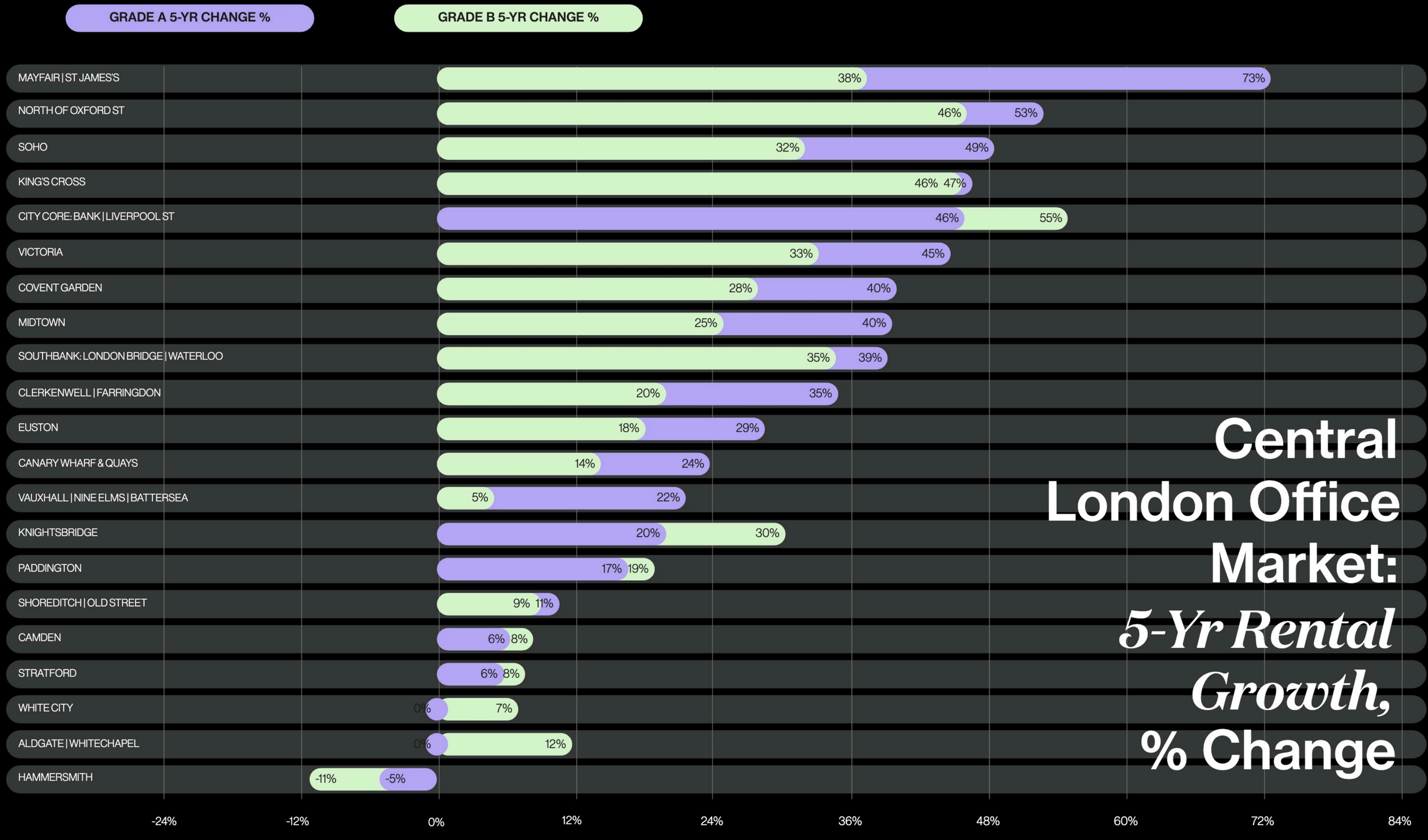
average prime Grade A rent, per sq ft
across central London

£64.00

average prime Grade B rent, per sq ft
across central London



Central London Office Market: *5-Yr Rental Growth,* % Change





Leasehold Rent Guide Q2 2026

	LEASEHOLD £ PER SQ FT			
	GRADE A	**GRADE** B	**Q/Q AVG** GROWTH	**GRADE A RENT-FREE 10-YR TERM**
WEST END				
MAYFAIR | ST JAMES'S	£190.00	£110.00	0%	18-22
SUPER PRIME : MAYFAIR | ST JAMES'S	£250.00	-	0%	16-18
SOHO	£130.00	£92.50	5%	20-24
NORTH OF OXFORD STREET	£130.00	£95.00	3%	20-24
KNIGHTSBRIDGE	£105.00	£75.00	0%	24-26
VICTORIA	£105.00	£80.00	3%	22-26
PADDINGTON	£87.50	£62.50	0%	22-24
KING'S CROSS	£110.00	£87.50	1%	20-24
EUSTON	£90.00	£65.00	3%	24-26
CAMDEN	£58.50	£45.00	0%	22-26
MIDTOWN				
COVENT GARDEN | WC2	£110.00	£80.00	2%	22-24
MIDTOWN | WC1	£95.00	£75.00	4%	24-26
CITY				
CITY CORE: BANK | LIVERPOOL ST	£100.00	£77.50	2%	24-26
CLERKENWELL | FARRINGDON	£105.00	£75.00	0%	24-26
OLD STREET | SHOREDITCH	£77.50	£60.00	0%	24-26
ALDGATE | WHITECHAPEL	£60.00	£47.50	0%	24-28
PREMIUM TOWER SPACES HIGH RISE	£150.00	-	0%	-
PREMIUM TOWER SPACES MID RISE	£100.00	-	0%	-
SOUTH LONDON				
SOUTHBANK: LONDON BRIDGE | WATERLOO	£97.50	£77.50	0%	22-26
VAUXHALL | NINE ELMS | BATTERSEA	£70.00	£42.00	0%	24-28
DOCKLANDS				
CANARY WHARF & QUAYS	£65.00	£40.00	0%	26-30
EAST LONDON				
STRATFORD	£45.00	£35.00	0%	24-28
WEST LONDON				
HAMMERSMITH	£52.50	£40.00	0%	24-28
WHITE CITY	£55.00	£37.50	0%	24-28



London Office Market Flexible Offices

GRADE A

£873.00

average Grade A desk rate, per desk, per month, across central London

GRADE B

£485.00

average Grade B desk rate, per desk, per month, across central London

A RISK AVERSE MARKET

Serviced office pricing remained largely static for another quarter. Only one market recorded movement in Grade A, that of Old Street & Shoreditch, with desk rates having been adjusted down for a second consecutive quarter in this market to an average of £700 per desk, per month (pdpm), reflecting the glut of desks still sat empty.

This has brought the average Grade A desk rate to £873 pdpm, its lowest level since the beginning of 2025. Grade B desk rates are currently at £485 pdpm, having now remained consistent at this level for the entirety of 2026.

The lack of movement reflects a calm before the storm, with business rates revaluations on serviced buildings expected to spill through to occupier costs in the coming quarters.

RETENTION IS THE NAME OF THE GAME

Provider strategy has very much been focused on pushing existing occupiers to renew, offering amenable rates that often make it difficult to justify a relocation.

The providers are doing so in order to both ensure a desirable level of occupancy in their buildings for the coming quarters, as well as to limit their transaction costs.

Moreover, many providers are inserting renewal clauses that allow them to lift their desk rates in accordance with the business rates revaluation of their buildings, adding further incentive to keep occupiers in place.

GENEROUS INCENTIVES

Amidst rising occupier costs and the prospect of increasing desk rates to come, providers have shown a greater willingness to offer more generous incentive packages.

These incentives can range from free meeting room credits and additional passes through to fully all-inclusive discounts. We are even seeing a small number of providers offering rent-free periods, an offer that has traditionally been restricted to the leasehold market.

While these benefits will allow occupiers to achieve some level of cost saving, these measures will provide little relief in the face of the broader repricing we expect in the coming quarters.

	MANAGED OFFICE £ PER SQ FT		SERVICED OFFICE £ PER DESK, PER MONTH	
	GRADE A	GRADE B	GRADE A AVG	GRADE B AVG
WEST END				
MAYFAIR | ST JAMES'S	£425	£275	£1,400	£700
SOHO	£315	£210	£1,175	£575
NORTH OF OXFORD STREET	£300	£225	£1,250	£550
KNIGHTSBRIDGE	£262	£175	£1,250	£625
VICTORIA	£260	£160	£1,075	£475
PADDINGTON	£200	£135	£900	£600
KING'S CROSS | EUSTON	£275	£205	£1,325	£525
CAMDEN	£153	£115	£575	£450
MIDTOWN				
COVENT GARDEN | WC2	£285	£200	£975	£600
MIDTOWN | WC1	£225	£175	£900	£500
CITY				
CITY CORE: BANK | LIVERPOOL ST	£245	£180	£1,075	£475
CLERKENWELL | FARRINGDON	£265	£180	£850	£575
OLD STREET | SHOREDITCH	£200	£100	£700	£400
ALDGATE | WHITECHAPEL	£140	£110	£650	£425
SOUTH LONDON				
SOUTHBANK: LONDON BRIDGE | WATERLOO	£235	£165	£1,025	£525
VAUXHALL | NINE ELMS | BATTERSEA	£165	£95	£600	£425
DOCKLANDS				
CANARY WHARF & QUAYS	£145	£95	£475	£250
EAST LONDON				
STRATFORD	£115	£87	£500	£350
WEST LONDON				
HAMMERSMITH | OLYMPIA	£131	£100	£625	£375
WHITE CITY	£137	£92	£550	£425



London Office Market Outlook

What we expect *next*

LEASING

The technology sector will continue to remain active in the central London office leasing market, although now a number of larger corporates have signed we expect a reduction in the number of larger deals going forward into the rest of the year. Given larger financial firms such as BlackRock are reportedly still looking for space, we could well see a surge of leasing activity from the financial sector later in the year.

AVAILABILITY

Occupiers are to become more location agnostic, with availability more heavily influencing searches. As safe havens of availability in the fringes are eroded and choice in the core becomes ever more constrained, it will be all the more important to retain broker advice to locate appropriate spaces.

RENTS

We expect rents in the fringe locations to push upwards, especially as a number of deals are set to be signed for Grade A spaces in locations such as Southbank which are expected to push the dial. Pressure on the core will remain throughout the coming quarters as well for both Grade A and B.

FLEX

The impact of the business rates revaluation has yet to fully settle, and we expect widespread uplifts in desk rates in the coming quarters. As an occupier, renewing may not always be the best option in this scenario, and so it is important to discuss any concerns with a broker.

> *“We expect rents in the fringe locations to push upwards, with pressure on the core continuing for both Grade A and Grade B”*

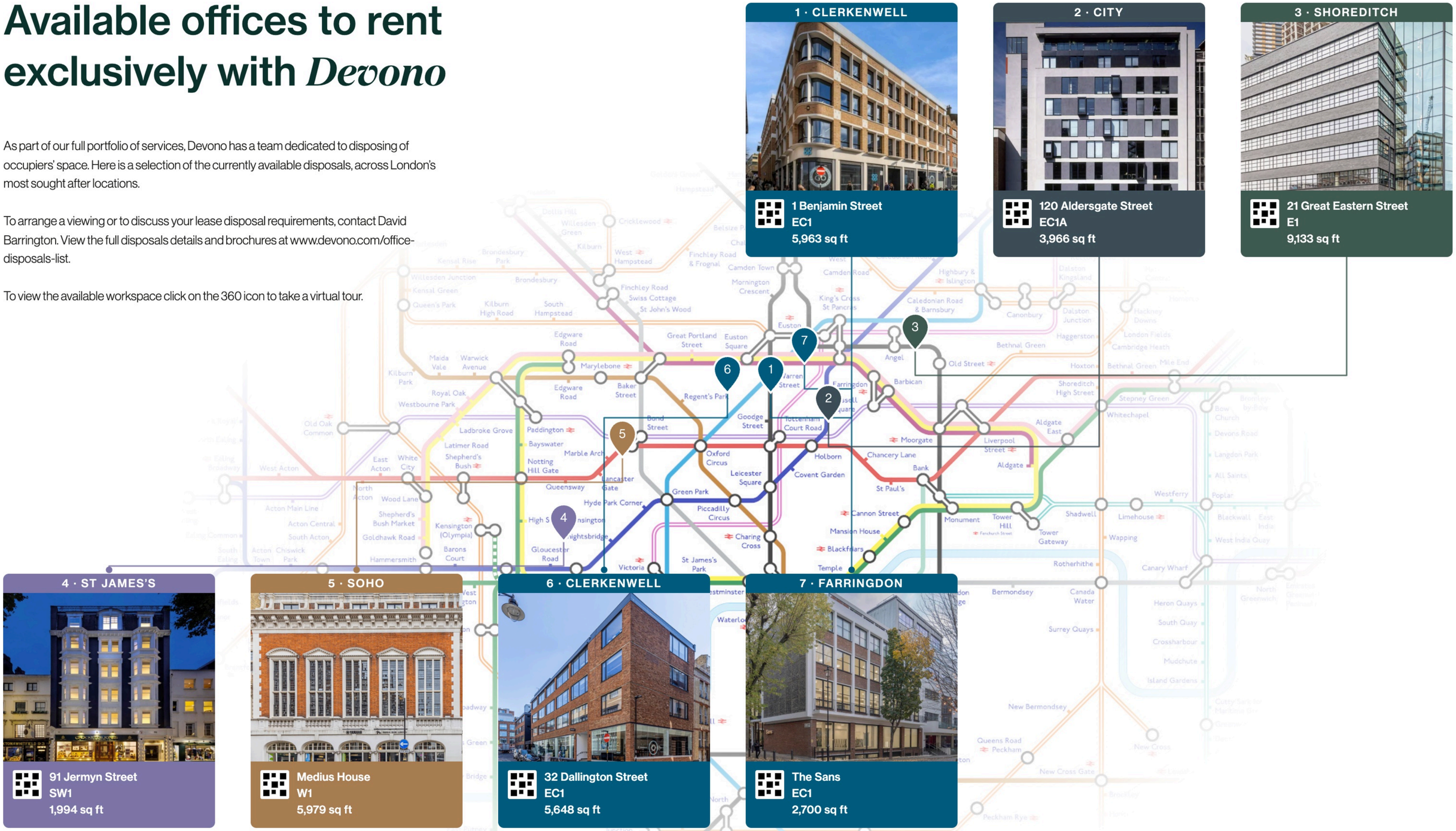


Available offices to rent exclusively with *Devono*

As part of our full portfolio of services, Devono has a team dedicated to disposing of occupiers' space. Here is a selection of the currently available disposals, across London's most sought after locations.

To arrange a viewing or to discuss your lease disposal requirements, contact David Barrington. View the full disposals details and brochures at www.devono.com/office-disposals-list.

To view the available workspace click on the 360 icon to take a virtual tour.





About *Devono*

Devono is the UK's leading occupier-only advisory firm, proudly accredited as a B Corp and regulated by the RICS. We specialise in delivering tailored commercial real estate solutions that align with the diverse needs and strategic objectives of businesses across all sizes and sectors.

A significant part of our role is helping our clients understand and define their occupational requirements. We carefully consider factors such as talent acquisition and retention, headcount projections, operational priorities, and cost efficiency.

This ensures we craft a forward-thinking brief that not only meets today's needs but also lays the foundation for a sustainable and adaptable occupational strategy.

At Devono, our mission is to navigate real estate opportunities in a way that positively shapes company culture, enhances productivity, and drives financial performance, creating lasting value for our clients and their teams.

OUR SERVICES

- **Office Agency**
- **Service Charge Consultancy**
- **Workplace Consultancy**
- **Design & Build**
- **Dilapidations & Building Surveys**
- **Occupier Disposal**
- **Rent Reviews**
- **Flexible Office Agency**
- **Managed Offices**

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