Q3 2025

Central London
Office Market
Snapshot

DEVONO

2025 has so far been a year of relatively turbulent market conditions, and signs suggest this volatility will persist through the remainder of the year and into next. Despite the challenging environment, central London's business community has remained committed to the office, with many companies pressing ahead with sizeable deals in Q3. Yet beneath the surface, cost pressures are increasingly shaping decisions around quality, location, and space requirements. The squeezed availability of larger offices is proving an additional hurdle for firms seeking to encourage greater workforce attendance.

The mounting cost burdens on occupiers are becoming ever more evident. Looking ahead, businesses will need to navigate further headwinds, including the impending 2026 business rates revaluation, which could significantly affect occupancy costs and influence leasing decisions.

In this snapshot, we take a closer look at the evolving dynamics of central London's office market, examining leasing activity, rental trends, availability, and the flexible office landscape as occupiers and landlords adjust to an increasingly complex market.

Shaun Dawson
Head of Insights
Devono

Q3 2025 Central London Office Market Snapshot.

Leasing

2.7M SQ FT
Of space leased in total this qtr – down 10% on Q2

967K SQ FT
Of Grade A space leased in Q3 – lowest quarterly total of 2025

29%
Of space leased by the financial sector – quantity of space leased down 43% on Q2

44%
Of space leased in the City – most popular market despite 17% reduction in space leased on previous qtr

Availability

23.9M SQ FT
Central London office availability at its lowest since Q1 2023

32%
Grade A share of space available

8,200 SQ FT
Average size of available space in the West End, down 3% on Q2

-9%
Reduction in the quantity of space available in the City over the last 12 months

Rents

£88.90 PSF
Average Prime Grade A rent across central London's submarkets

£61.80 PSF
Average Prime Grade B rent across central London's submarkets

£100.00PSF
Prime Grade A Rent in the City hits a new high – up 5% on the previous qtr

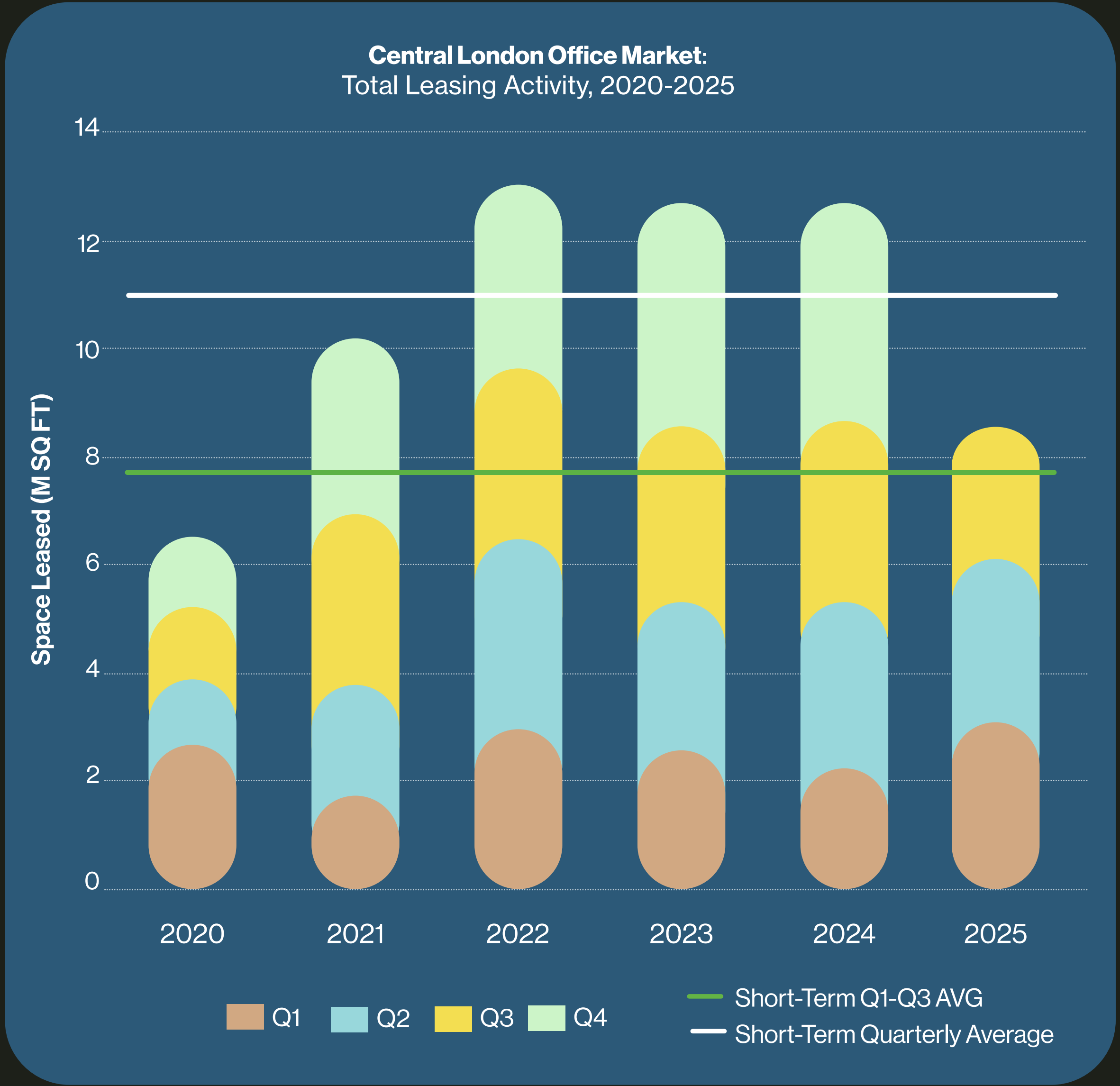
3
Markets saw an uplift in Grade A rents in Q3, the same number as for Grade B

London Office Market

Leasing

HAVE HEADWINDS HIT?

Business sentiment heading into Q3 2025 remained notably negative. Rising costs and uncertainty around the next Budget announcement prompted many firms to adopt a "wait and see" approach. In light of this, leasing volumes edged down 10% to 2.7 million sq ft, the lowest total of the year so far. Despite this slight dip, total take-up for the first three quarters now surpasses the same period in both 2023 and 2024.



MEGA DEALS COMPENSATE FOR DEAL NUMBERS

While total take-up weakened, deal numbers tell a different story. The number of transactions rose 3% to 386 in Q3, yet we still saw a drop in space leased. This was mainly due to a greater concentration of deals among the smaller spaces, with just over half those transacted having been for spaces below 2,500 sq ft, with total leasing volumes having been driven by a handful of large transactions.

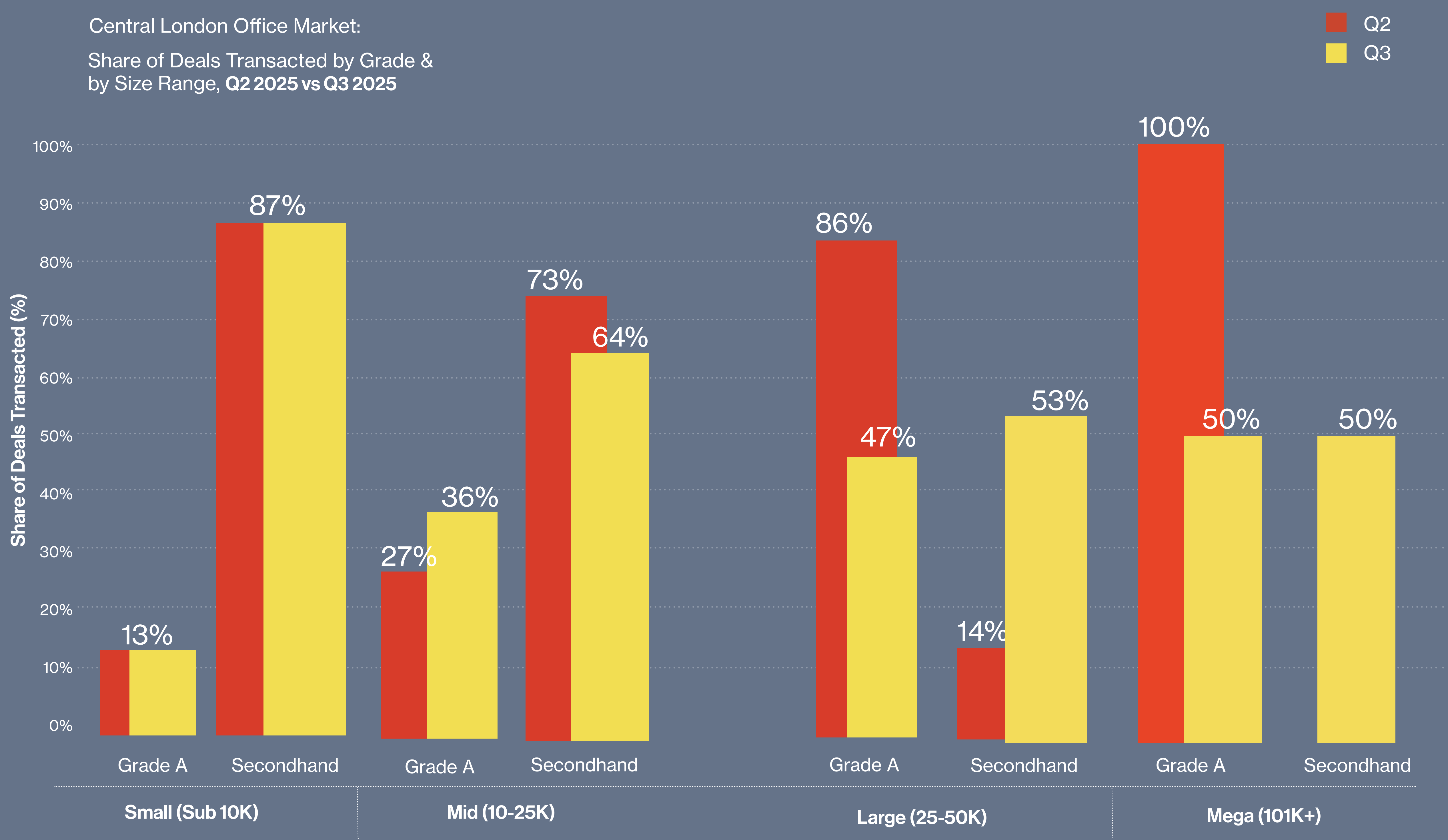
Three deals exceeded 200,000 sq ft this year, one of which completed in Q3, Herbert Smith Freehills Kramer's 238,000 sq ft lease at One Appold Street. Increased activity in the 25,000–100,000 sq ft bracket further compensated for fewer mid-sized deals.

QUALITY COMPROMISES AS RETURN-TO-OFFICE BUILDS

Secondhand space once again dominated leasing, accounting for 64% of total space leased. Grade A take-up, by contrast, fell to 967,140 sq ft, the lowest level since early 2024. While smaller firms typically drive secondhand demand, larger occupiers are now playing a greater role. In the 25,000–100,000 sq ft range, 50% of deals were for secondhand space, a sharp rise from 14% in Q2.

This shift reflects changing priorities as firms bring more employees back to the office. Many are opting for larger, more affordable spaces to accommodate higher attendance, although it should be noted this does not necessarily mean that businesses are compromising on quality. HSBC's 199,000 sq ft deal at the ageing, yet iconic 40 Bank Street in Canary Wharf, the first mega deal for secondhand space this year, underscores this trend.

Central London Office Market:
Number of Transactions, 2020-2025


Central London Office Market:
Share of Deals Transacted by Grade & by Size Range, **Q2 2025 vs Q3 2025**
Q2
Q3
Share of Deals Transacted (%)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
13%
87%
27%
36%
73%
64%
86%
47%
14%
53%
100%
50%
50%
Grade A
Secondhand
Grade A
Secondhand
Grade A
Secondhand
Grade A
Secondhand
Small (Sub 10K)
Mid (10-25K)
Large (25-50K)
Mega (101K+)

WHO IS LEASING?

Financial

After a standout performance in Q2, the financial sector lost momentum in Q3, with leasing activity down sharply by 44% to 630,176 sq ft. Despite this quarterly drop, the sector remains the largest single contributor to total take-up, accounting for 29% of overall volume. Importantly, while the sector's share of total take-up fell from 43% in Q2, its quarterly total remained 5% above its short-term average, confirming that financial occupiers continue to underpin demand in Central London.

Encouragingly, activity continues to span a broad range of occupier types and deal sizes. While HSBC's 199,000 sq ft commitment at 40 Bank Street was the clear headline, financial firms were also active across the mid-sized segments, representing 25% of all deals in the 25,000–50,000 sq ft range and 31% in the 10,000–25,000 sq ft range. This depth of activity underlines the sector's ongoing strategic adjustments with firms consolidating or upgrading space to reflect new patterns of working.

Education

While not making waves in the market, the education sector has been on the move this quarter. The largest deal recorded was University College London's 40,000 sq ft pre-let at Maple House, 149 Tottenham Court Road, a deal that reinforces UCL's ongoing expansion in Bloomsbury and signals the continuing relevance of this intellectual hub for education occupiers, an area that already includes the likes of the Royal Academy of Dramatic Art and the School of Oriental and African studies.

The total number of deals completed this quarter (five in total) was broadly in line with the short-term average, suggesting a stable, if uneven, flow of activity. This volatility is typical of the sector, where large-scale moves are infrequent but have an outsized impact when they do occur.

Demand from educational occupiers will stay project-led and tied to clusters like Bloomsbury and King's Cross, with ongoing investment helping to sustain steady demand into 2026.

Legal

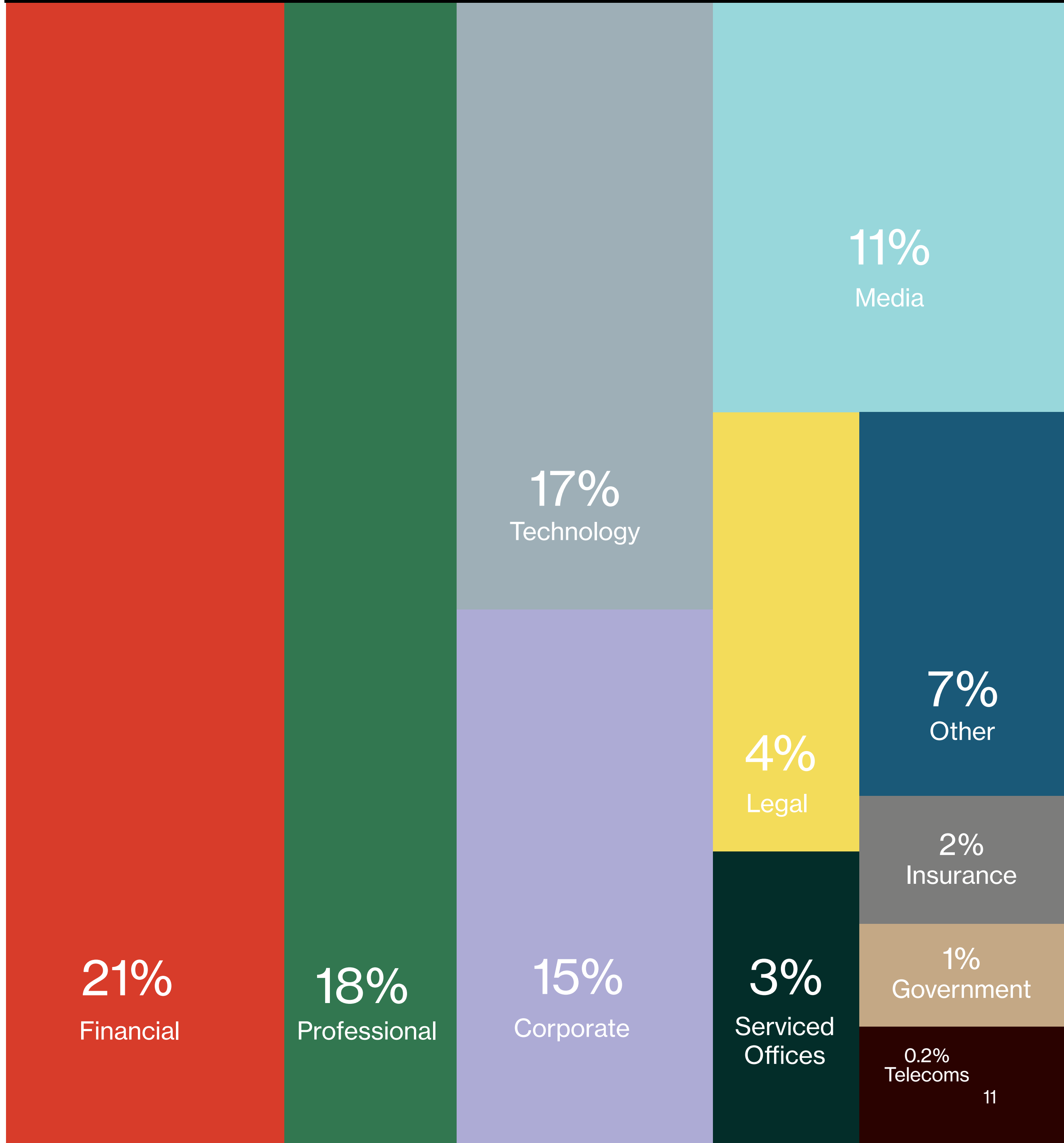
The legal sector made a notable return to prominence this quarter, climbing into the top three sectors by volume with a 17% share of total take-up. The headline deal, Herbert Smith Freehills Kramer's 238,000 sq ft pre-let at the planned One Appold Street redevelopment, underscores the sector's renewed appetite for high-quality, future-ready workspace.

This transaction marks one of the largest legal sector commitments in recent years and signals the return of large-scale occupational decisions that had been largely absent since 2024.

Crucially, this mega deal coincided with a broader uptick in larger legal transactions more generally. Deals exceeding 25,000 sq ft reappeared after being absent in Q2, while the total number of legal transactions, at 11, remained close to the short-term average of 12. Year-to-date, 39 legal sector deals have completed, already exceeding the total recorded over the same period in 2024.

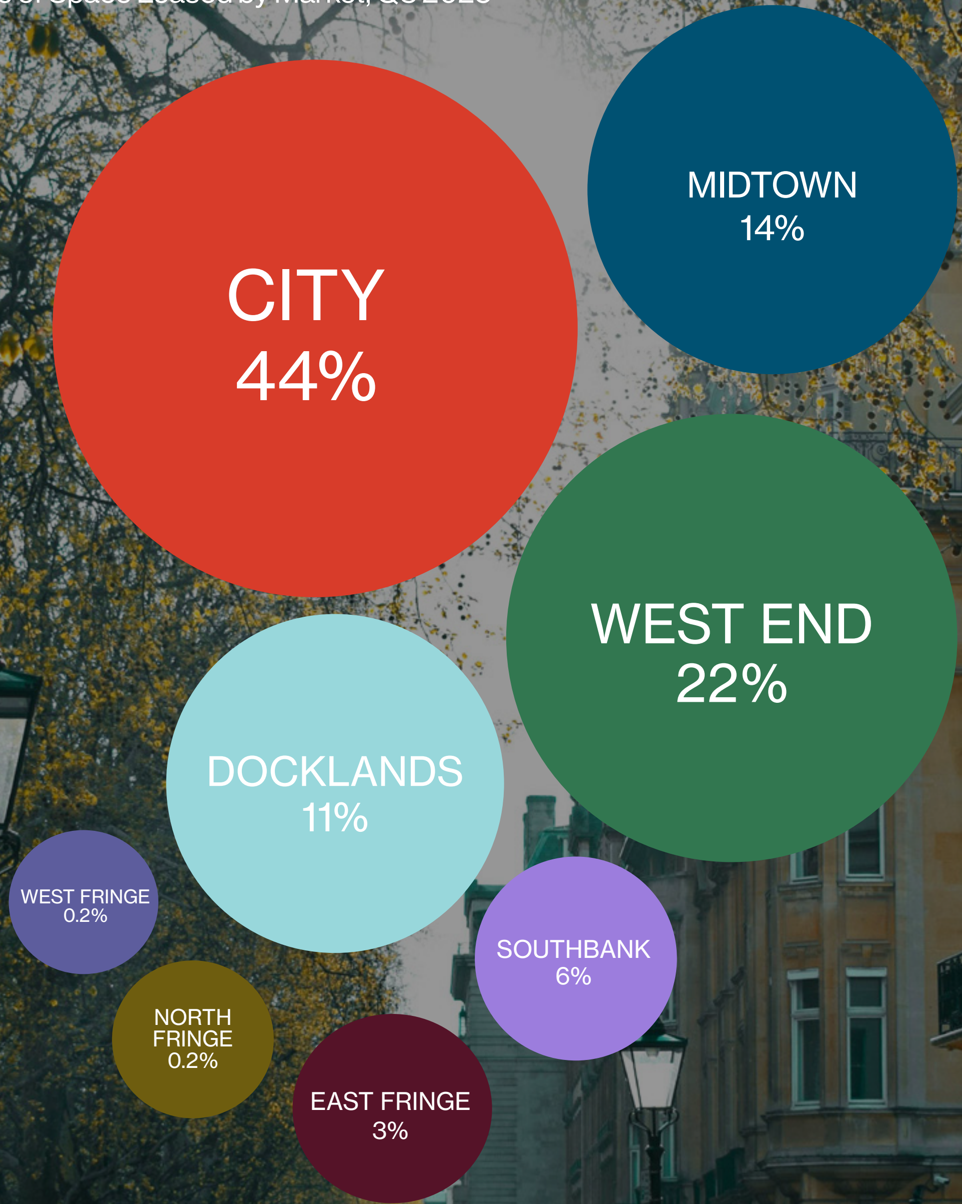
This consistency reflects growing confidence among law firms to commit to modern, tech-enabled offices that support flexible working and client collaboration. As a result, the legal sector remains a steady and strategically important part of Central London demand.

Central London Office Market:
Share of Space Leased by Sector, Q3 2025



WHERE ARE BUSINESSES LEASING?

Central London Office Market:
Share of Space Leased by Market, Q3 2025



The City and *beyond*

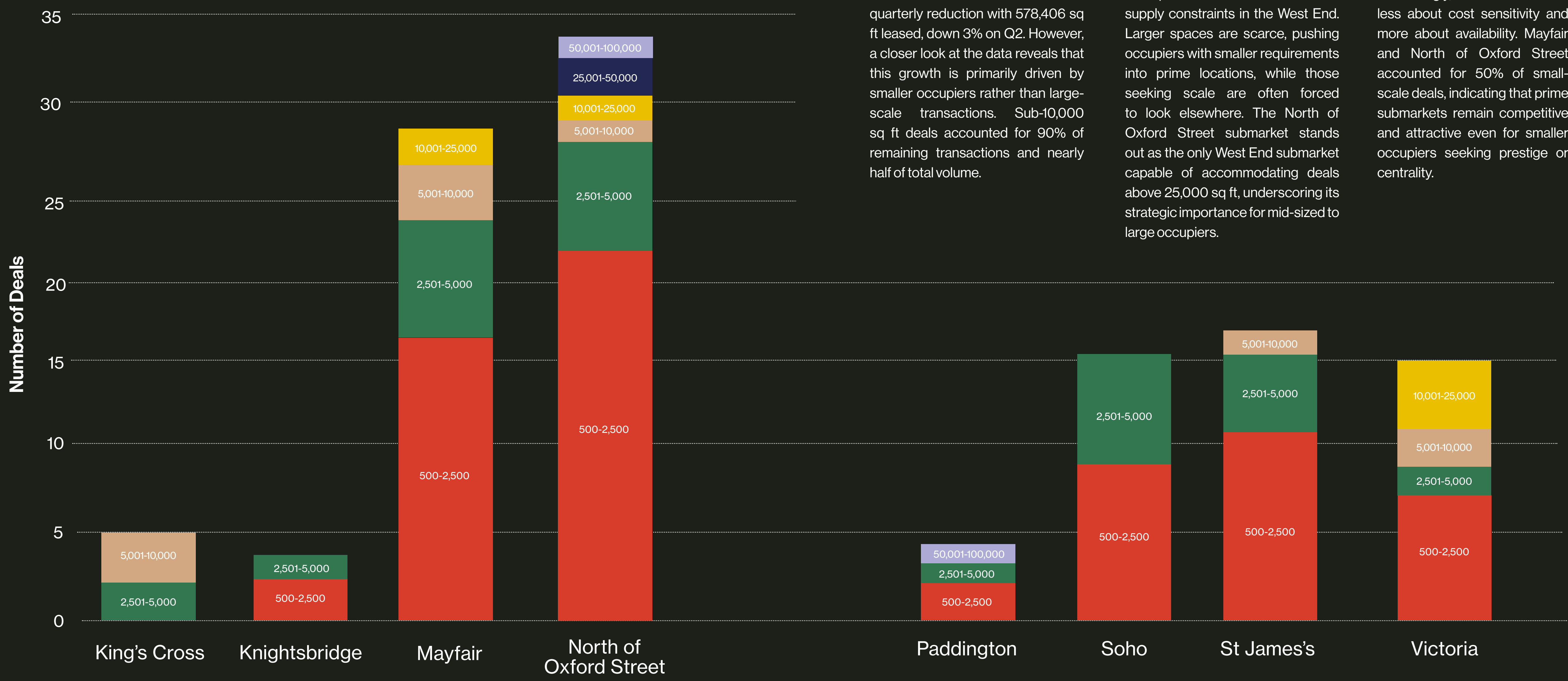
The eastward migration of occupiers, a defining trend of 2024, has continued into 2025, though with some *nuanced shifts this quarter.*

The City of London registered a 44% share of total take-up in Q3, its lowest quarterly share recorded this year despite a slight improvement in deal numbers relative to Q2. This divergence highlights a subtle change in the size and nature of occupiers moving to the City: while the number of deals remains robust, larger firms are increasingly looking beyond traditional City core locations to meet their space requirements.

Docklands, in particular, has benefitted. HSBC's 199,000 sq ft lease at 40 Bank Street, together with two additional 25,000 sq ft deals by PKF Littlejohn and BBVA, pushed total Docklands take-up to 304,000 sq ft, the highest quarterly total in three years. This demonstrates that firms seeking larger spaces are willing to move further east to secure the scale and flexibility they need, especially where City rents are prohibitive.

The broader implication is that the supply-demand dynamic is becoming more location-sensitive. Premium City locations remain attractive for headline deals and corporate visibility, but the fringes, particularly Docklands and Aldgate, are increasingly critical for occupiers prioritising size and cost efficiency. We expect this trend to continue, with East London markets likely to see ongoing growth as firms balance office quality, accessibility, and scale requirements.

West End Office Market
Deal Numbers by Size Range & by Submarket, Q3 2025



THE WEST END: CATERING TO THE SMALLER SIZE REQUIREMENTS

The West End recorded a minor quarterly reduction with 578,406 sq ft leased, down 3% on Q2. However, a closer look at the data reveals that this growth is primarily driven by smaller occupiers rather than large-scale transactions. Sub-10,000 sq ft deals accounted for 90% of remaining transactions and nearly half of total volume.

This pattern reflects the inherent supply constraints in the West End. Larger spaces are scarce, pushing occupiers with smaller requirements into prime locations, while those seeking scale are often forced to look elsewhere. The North of Oxford Street submarket stands out as the only West End submarket capable of accommodating deals above 25,000 sq ft, underscoring its strategic importance for mid-sized to large occupiers.

Interestingly, this behaviour is less about cost sensitivity and more about availability. Mayfair and North of Oxford Street accounted for 50% of small-scale deals, indicating that prime submarkets remain competitive and attractive even for smaller occupiers seeking prestige or centrality.

IS LEASEHOLD LOSING OUT IN MIDTOWN?

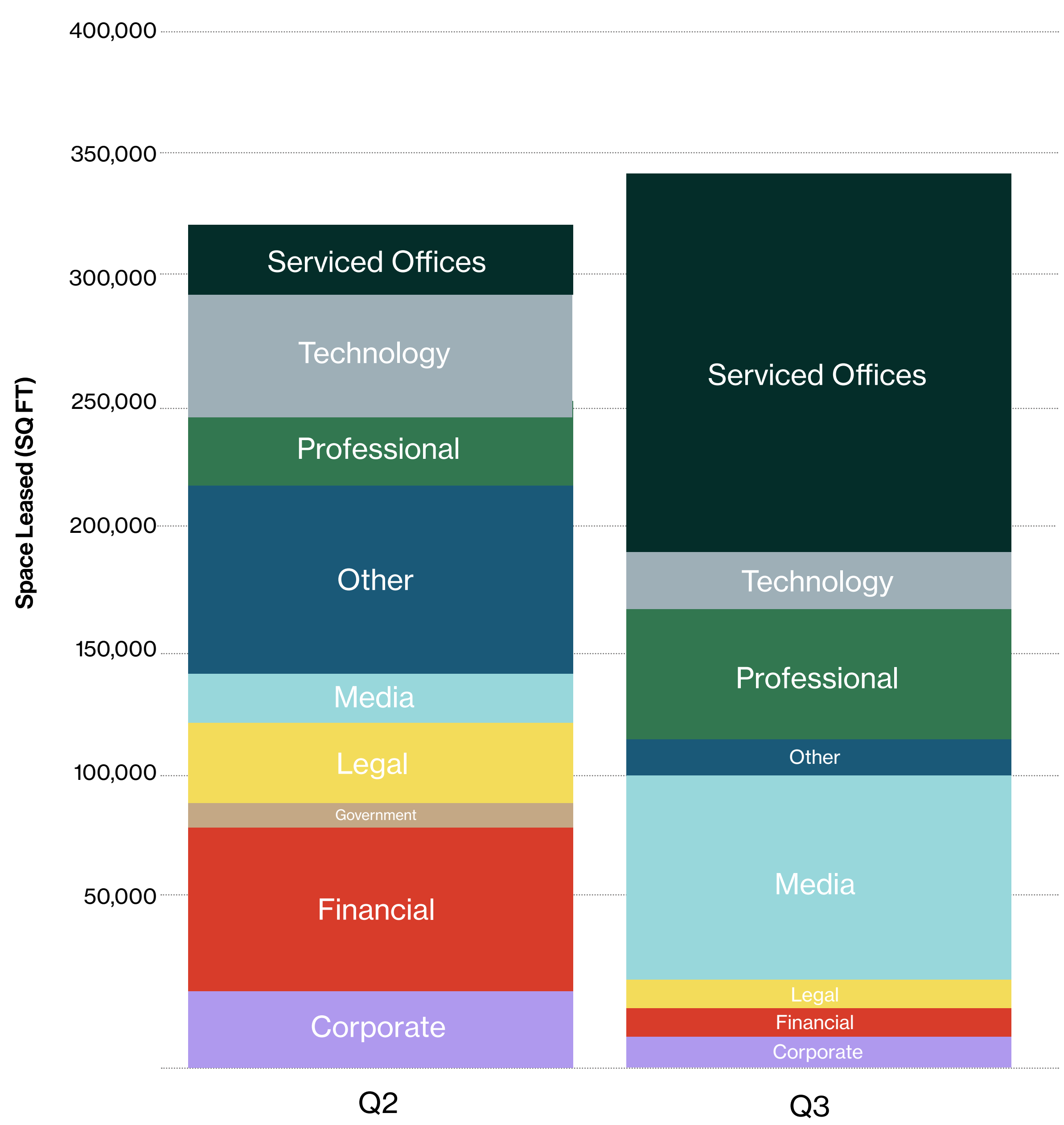
Midtown leasing continues its slow but steady recovery, rising 2% on Q2 to 389,020 sq ft. At first glance, this represents a respectable quarter, suggesting a market regaining momentum after post-pandemic adjustments. However, underlying dynamics reveal a more intricate picture.

Serviced office providers dominated this quarter, taking 44% of total space with seven new centres opened. This reliance on flexible space suggests that much of Midtown's current activity may be transient, driven by provider expansion rather than enduring leasehold demand. The serviced market's prominence also highlights a saturation point: once operators reach capacity, underlying leasehold demand may struggle to find adequate space, potentially constraining growth in upcoming quarters.

Is Midtown's 2% leasing uplift a sign of *real recovery* or just a surge in serviced office expansion?

Occupier preferences further reinforce this trend. Media and professional services remain the main contributors to take-up, but the reliance on flexible solutions indicates that traditional leasehold leasing may be losing traction in Midtown, at least in the short term. If serviced office absorption slows, we could see a subsequent dip in leasing activity, particularly for smaller firms seeking flexible but affordable city-centre options.

Midtown Office Market:
Space Leased by Sector, Q2 vs Q3 2025



Outlook

Annual totals likely to surpass 2024:

Take-up for Q1-Q3 2025 already exceeds the same period in the last two years, though final figures will hinge on a strong Q4. Impact of the UK Government's Autumn Budget could well dictate the strength of demand in the latter months of 2025 and early 2026.

Flex operators to absorb future demand:

As occupiers increasingly explore serviced and managed options, leasehold demand may ease in some submarkets. Which could well open up opportunities for other businesses with active requirements.

Rising in-office attendance to drive larger deals:

Bigger corporates are expected to lead the next wave of mega deal activity, especially with the pre-letting of new developments and refurbishment projects.

Demand clustering within key submarkets:

Limited availability of certain types of space will focus activity within select parts of the West End and City.

Pushing East:

As pricing in the City pushes higher, we are likely to see some firms looking for budget options showing a greater consideration of the fringe locations such as Aldgate and Docklands.

Secondhand Grade A in focus:

Occupiers will increasingly target high-quality secondhand options to balance cost and quality.

London Office Market | # Availability

AVAILABILITY TIGHTENS AS SUPPLY EDGES LOWER ACROSS CORE MARKETS

Central London office availability contracted in Q3 2025, totalling 23.9 million sq ft, down from 24.5 million sq ft in Q1 2025. The 2.5% quarterly fall marks the second consecutive decline this year, reinforcing the view that leasing activity remains steady despite a subdued macroeconomic backdrop. According to our analysis, total availability now sits 5% below its mid-2024 peak and close to levels last recorded in early 2023.

The reduction in space was largely driven by a drop in core markets, with both the City and West End recording declines of around 3% during the quarter. Together, these submarkets account for over half of Central London's available stock. By contrast, Midtown (+5%) and Southbank (+1%) both saw incremental rises, reflecting a wave of refurbishment-led Grade A completions coming to market and slower short-term absorption.

From a quality perspective, Grade A availability fell slightly to 7.5 million sq ft, accounting for 32% of total supply, while the availability of secondhand space eased to 16.4 million sq ft. The overall balance continues to tilt toward secondhand stock, but the composition varies sharply by submarket, from a 41% Grade A share in Midtown to just 24% in Docklands, highlighting how refurbishment and repositioning activity continues to redefine Central London's supply profile.

MARKET AVAILABILITY SNAPSHOT

Market	Q3 2025	6-Month Change Availability (sq ft)	Grade A Share	Avg. Size (sq ft)
City	7.8m	-3%	35%	12,615
West End	5.2m	-3%	27%	8,200
Midtown	3.4m	+5%	41%	10,450
Southbank	2.2m	+1%	29%	10,469
Docklands	2.9m	-12%	24%	53,297

Central London Office Market:
Availability by Grade, 2020-2025

WEST END OFFICE AVAILABILITY

Contraction Continues in Core Submarkets

The West End recorded a modest fall in availability over the quarter, down 3% to 5.2 million sq ft. While still above pre-pandemic norms, this represents a squeeze in the level of supply since early 2022. The decline was broad-based but most visible in King's Cross (-11%) and Paddington (-8%), where a run of deals and limited new completions kept options constrained.

By contrast, leasing activity and pipeline releases created divergent outcomes elsewhere. Mayfair (+15%), Soho (+8%), and St James's (+6%) all saw availability rise, driven by the return of refurbished and newly marketed spaces. The North of Oxford Street (NOX) submarket remained largely stable (+0.1%), suggesting a balanced dynamic between disposals and new availability.

Grade A space accounts for 27% of availability across the West End, slightly below the London average, reflecting the limited flow of new developments and a market heavily weighted towards smaller secondhand stock. The average available unit size stands at 8,200 sq ft, continuing to favour smaller occupiers seeking highly specified and well-located buildings. Despite this, demand for prime, ESG-aligned offices in core West End locations remains resilient, ensuring that most high-quality space is absorbed relatively quickly once brought to market.

CITY OFFICE AVAILABILITY

Availability Eases Despite Localised Increases

In the City, total availability slipped to 7.8 million sq ft, down from 8 million sq ft in Q1. The 3% six-month fall marks a continuation of the downward trend established in late 2024, as leasing activity outpaces the addition of new space. However, at a sub-postcode level, the picture is notably fragmented.

Sharp increases were recorded in select locations, most notably in the centrally located postcodes of EC3V (+57%), EC3R (+38%), and EC2P (+37%), reflecting the release of new space and office spaces being returned to the market following lease events.

Offsetting these gains were marked reductions in the main financial districts of EC2N (-24%), EC2M (-21%), and EC3A (-26%), each reflecting steady take-up within prime City Core locations.

With Grade A offices accounting for 35% of City availability, the balance of supply remains heavily weighted toward secondhand stock. However, the decline in secondhand space and steady erosion of older stock highlights ongoing pressure on landlords to reposition assets to maintain competitiveness.

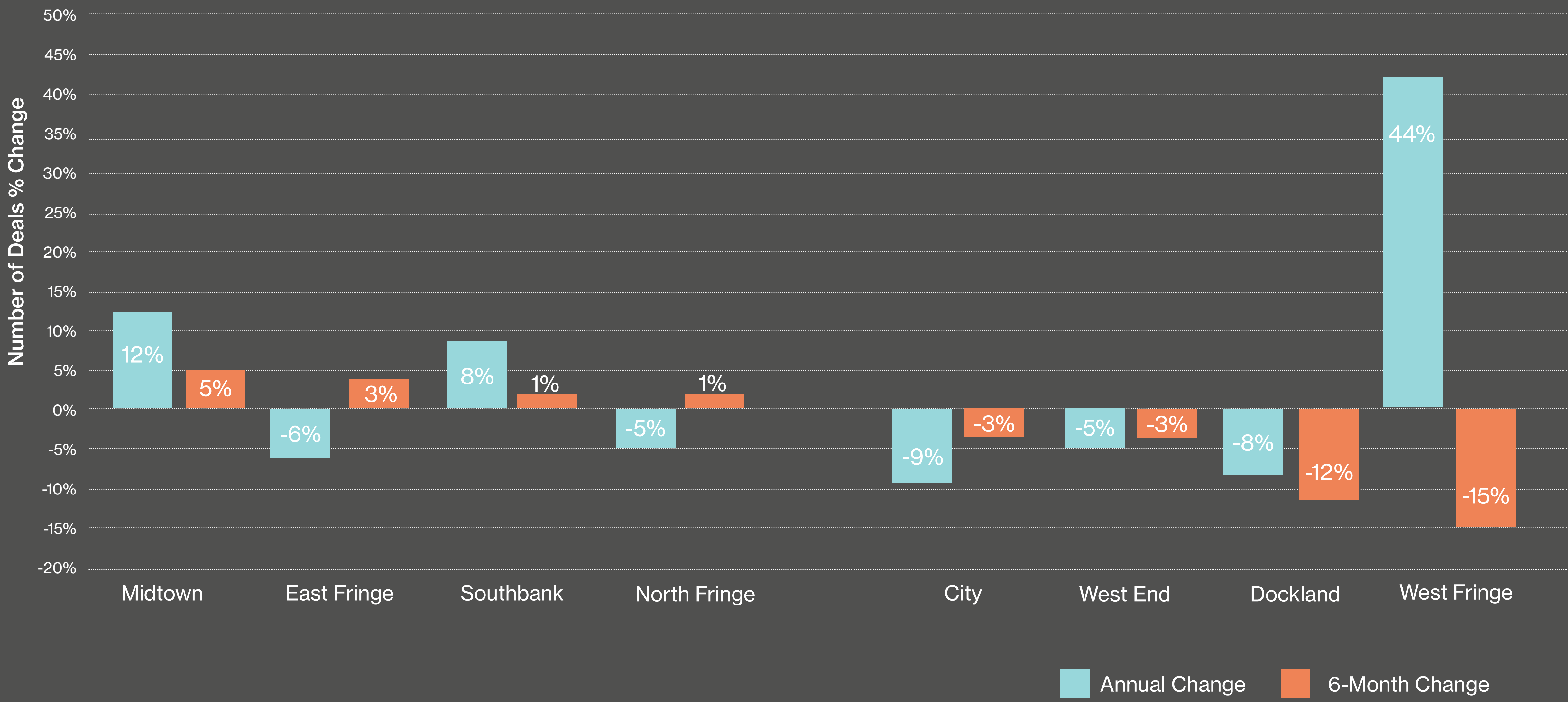
8,200 sq ft

Average available unit size in the West End.

3%

Drop in office availability across the City

Central London Office Market:
Availability Change by Market



Outlook

Availability across Central London is set to remain broadly stable through year-end, though the divide between prime and secondhand space will widen further. With demand still concentrated on sustainable, high-quality offices and a limited number of new large-format completions, availability in core submarkets like the City and West End is expected to stay below trend.

The flight to quality remains the defining pattern: prime, well-located space will continue to lease quickly, while older stock will lag behind.

At the same time, dated, energy-inefficient stock will face prolonged vacancy spells and rising obsolescence risk as occupiers prioritise ESG compliance and workspace quality. For landlords holding older inefficient stock, conversion and repositioning strategies will be increasingly key to maintaining relevance in a tightening market.

As such, London's office market is entering a period of selective tightness, where total volumes mask an increasingly polarised market between modern and legacy space.

Prime vs. secondary divide widens

Availability is expected to remain stable overall, but high-quality, sustainable offices will continue to lease faster than older stock.

Flight to quality intensifies

Demand is concentrated in modern, ESG-compliant buildings, keeping availability in core submarkets like the City and West End below trend.

Obsolescence risk rises

Older, energy-inefficient offices face longer vacancies, pushing landlords to focus on refurbishment and repositioning to stay competitive.

London Office Market

Rents

UPWARD MOVEMENT RETURNS

After a quarter's pause in rental uplifts, Q3 marked the return of upward movement, with five markets recording growth in either Prime Grade A or B rents.

In the West End, Prime Grade A movement was limited, and the most expensive markets did not see increases. Paddington, for instance, was adjusted down to £87.50 per sq ft. The only submarket to register a rise was Euston, which also stood out as the sole central London location to see uplifts in both Grade A and B prime rents this quarter.

Further east, rental growth was more pronounced. The City's best spaces experienced uplifts, while Docklands also saw rents rise. South of the river, the Southbank core remained stable, but Vauxhall/Nine Elms/Battersea saw prices increase to £65.00 per sq ft.

Despite this activity, rental growth remains slow: 10 of 22 markets have seen no Prime Grade A growth over the past 12 months, and nine have seen no Prime Grade B growth at all. This is not due to occupiers' negotiating power; many markets are already near historic highs, with Grade A rents averaging 24% higher than five years ago, and Prime Grade B rents up 17% on average.

> *Rental growth has returned - but only in select pockets, as central London edges closer to its historic pricing peaks.*

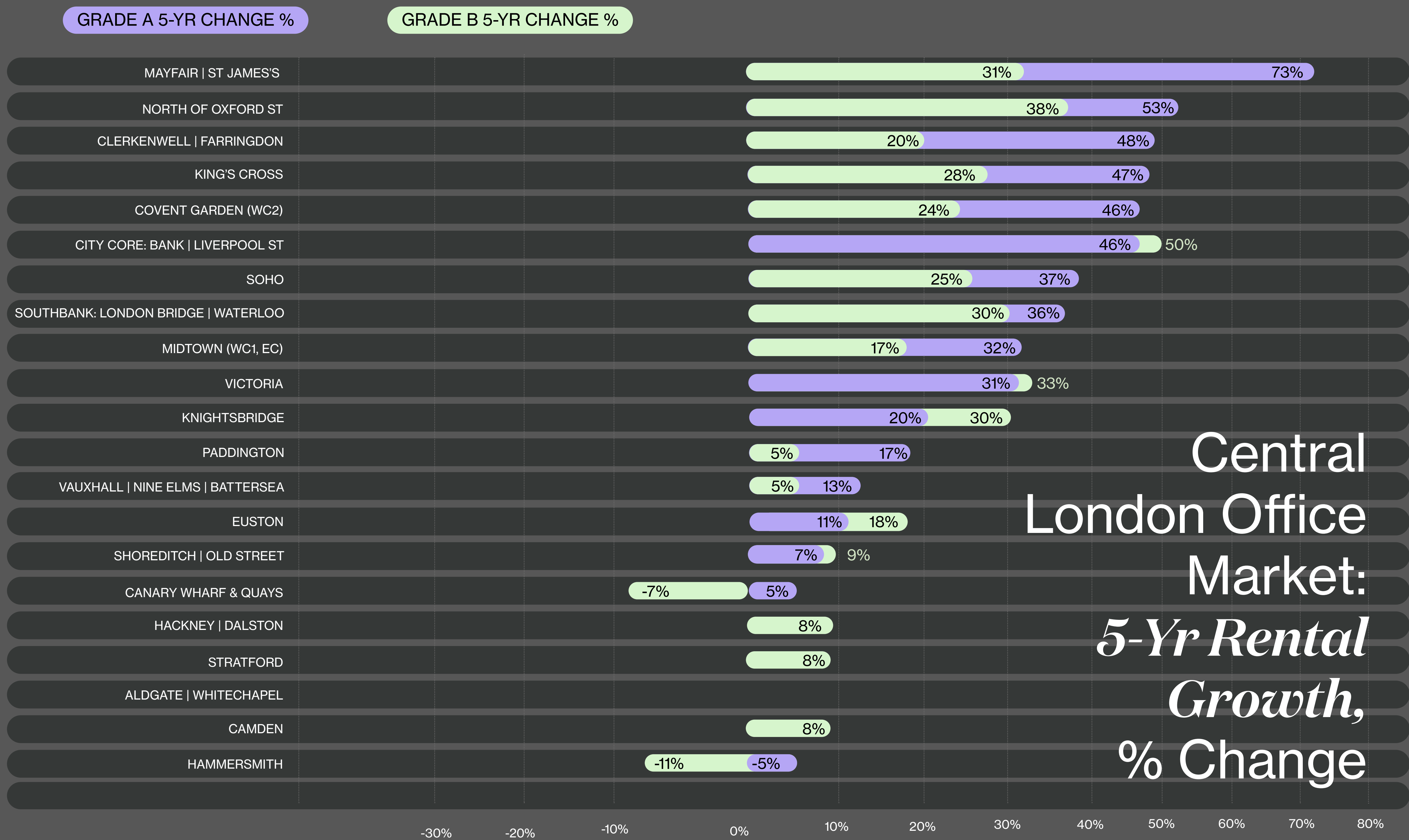
THE CITY – NO LONGER A COSTCUTTER'S HAVEN

The most notable uplift this quarter was for City prime Grade A, which rose 5% in Q3 to reach £100.00 per sq ft for the first time, following a year at £95.00 per sq ft. Traditionally regarded as a more affordable option than the West End or Midtown, the City's appeal as a cost-effective location is now being squeezed. While it still offers savings compared to the West End's most expensive markets, 8% below the West End average prime Grade A rent, this quarter's movement places the City 14% above Paddington and now above Victoria.

High-rise tower spaces, the City's best-quality offering, also saw rents rise to £140.00 per sq ft. Previously on par with North of Oxford Street's top spaces, these towers now represent the third most expensive spaces in central London, though still considerably below Mayfair's Grade A and Super Prime offerings.

These uplifts reflect landlords' recognition that occupiers are no longer attracted to the City solely for cost advantages. Instead, the scarcity of larger spaces elsewhere is driving demand, giving landlords confidence to push rents upwards.

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



SECONDHAND – DEMAND STRENGTHENS RESOLVE

Prime Grade B rents grew at a similar pace to Prime Grade A this quarter, but growth was concentrated in markets where secondhand space has become a focal point of demand.

Canary Wharf provides a clear example. Prime rents rose to £32.50 per sq ft this quarter after having been revised down in Q3 2023 and held at £30.00 per sq ft in the interim. This modest uplift reflects the strength of demand for Docklands' prime secondhand offerings: all three deals over 25K sq ft this quarter, including HSBC's major transaction, were secondhand rather than Prime Grade A.

North of Oxford Street has seen secondhand pricing lift as well. While the top three largest deals were for Prime Grade A, 82% of the overall deals were for secondhand space. Landlords are therefore maintaining stable pricing for best-in-class spaces while remain-

Secondhand space is stealing the spotlight - Prime Grade B rents are rising where demand is deepest.

Outlook

Grade A Rental Growth to Remain Subdued: Rising costs are likely to keep landlords cautious, maintaining prime rents at current highs to preserve demand.

Uplifts Development Dependent: Markets seeing increases will generally be those benefitting from new development completions, both new build and comprehensive refurbishments.

Secondhand Confidence: Landlords are likely to push for uplifts on the better quality secondhand spaces, particularly in the City, Docklands, and North of Oxford Street, where larger spaces are available.

Incentives Creativity: With Prime Grade A growth muted, landlords are expected to employ more inventive incentives to maximise revenue and attract occupier demand.

Leasehold Rent Guide Q3 2025

Data as at end of Q3 2025

Q-on-Q average growth denotes general rental tone change of leasehold Grade A & B combined from Q2 2025 to Q3 2025.

Rent-free incentive based on a Grade A, 10-year lease general indication, will vary case-by-case

	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	£105.00	0%	18-20
SUPER PRIME : MAYFAIR | ST JAMES'S	£250.00	-	0%	18-20
SOHO	£120.00	£87.50	0%	20-22
NORTH OF OXFORD STREET	£130.00	£90.00	3%	18-20
KNIGHTSBRIDGE	£105.00	£75.00	0%	22-24
VICTORIA	£95.00	£80.00	0%	22-24
PADDINGTON	£87.50	£55.00	-1%	22-24
KING'S CROSS	£110.00	£77.00	0%	22-24
EUSTON	£81.50	£65.00	3%	22-24
CAMDEN	£58.50	£45.00	0%	22-24
MIDTOWN				
COVENT GARDEN | WC2	£115.00	£77.50	0%	22-24
MIDTOWN | WC1	£90.00	£70.00	0%	24-26
CITY				
CITY CORE: BANK | LIVERPOOL ST	£100.00	£75.00	3%	24-26
CLERKENWELL | FARRINGDON	£115.00	£75.00	0%	24-26
OLD STREET | SHOREDITCH	£75.00	£60.00	0%	24-26
ALDGATE | WHITECHAPEL	£60.00	£42.50	0%	26-28
PREMIUM TOWER SPACES HIGH RISE	£140.00	-	8%	-
PREMIUM TOWER SPACES MID RISE	£100.00	-	0%	-
SOUTH LONDON				
SOUTHBANK: LONDON BRIDGE | WATERLOO	£95.00	£75.00	0%	24-26
VAUXHALL | NINE ELMS | BATTERSEA	£65.00	£42.00	2%	28-30
DOCKLANDS				
CANARY WHARF & QUAYS	£55.00	£32.50	4%	28-32
EAST LONDON				
STRATFORD	£42.50	£35.00	0%	28-30
HACKNEY | DALSTON	£42.50	£32.50	0%	24-26
WEST LONDON				
HAMMERSMITH	£52.50	£40.00	0%	28-32
WHITE CITY	£55.00	£37.50	0%	24-26

London Office Market

Flexible Offices

£876 per desk, steady in Q3

but still 6% higher than two years ago as prime London locations hold their ground.

PRICING STABILITY CONTINUES

Average Grade A desk rates reached £876 per desk per month (pdpm) in Q3, a negligible 0.1% rise on Q2, but 6% higher than two years ago. Pricing stability dominated most submarkets, with no major quarterly movements recorded.

In the West End, top-tier locations such as Mayfair and St James's held at an average of £1,400 pdpm for Grade A spaces, cementing their position at the upper end of London's flex market. Pricing in King's Cross and North of Oxford Street also remained firm, both up around 10–23% over two years, reflecting persistent demand for prime, well-connected space.

Across the City, Grade A rates were largely static; the core locations maintained a stronger position following earlier gains, now at £1,050 pdpm, while Aldgate edged up modestly to £650 pdpm. Outer markets such as Docklands, West London, and East London continued to see no material change.

NO GRADE B MOVEMENT

Grade B desk rate pricing held steady in Q3 2025, with the all-market average unchanged at £487 pdpm. For the second consecutive quarter, no submarket recorded movement, underscoring a period of stability across London.

Compared to this point last year, rents remain marginally higher - up just 1% - as operators continue to prioritise sustained occupancy and competitive positioning over pricing growth.

Business Rates Revaluation 2026

WHAT IT MEANS FOR SERVICED OFFICE USERS

From April 2026, the UK's business rates regime is being reset and the impact on serviced office occupiers could be far greater than many expect.

Our recent report, Business Rates Revaluation 2026, shows that many leasehold occupiers, particularly in London, could face double-digit increases in rates payable. And because serviced office providers typically handle business rates on behalf of their clients, these changes could flow directly into your monthly licence fee.

Some operators have already begun introducing new clauses to recover any increase in business rates from occupiers, meaning your costs could rise almost overnight.

WHAT TO LOOK — OUT FOR

- Clauses passing on any increase in business rates to you.
- "Fair proportion" allocations of common area rate - often open to interpretation.
- Reductions offset by admin fees or commissions, limiting your benefit if rates fall.
- Tight deadlines to provide business rates information or sign documents.
- Retrospective adjustments to past invoices once revaluations are confirmed.

HOW IT COULD IMPACT YOU

Expect your monthly business rates element to rise significantly in some areas, especially central London. For many flexible office users, that means:

Less predictability in budgeting and cash flow.

A risk of paying more than your fair share if allocations lack transparency.

A wider gap between advertised "all-inclusive" rates and real occupancy costs.

STEPS TO TAKE NOW

Review your licence

Check for clauses related to business rates or "fair proportion" allocations.

Plan ahead

Stress-test your 2026 budgets for higher monthly costs.

Ask for transparency

Understand how charges are calculated.

Get advice

Specialist support can help identify risks and strengthen your position.

Negotiate caps

Agree limits on how much your liability can increase.

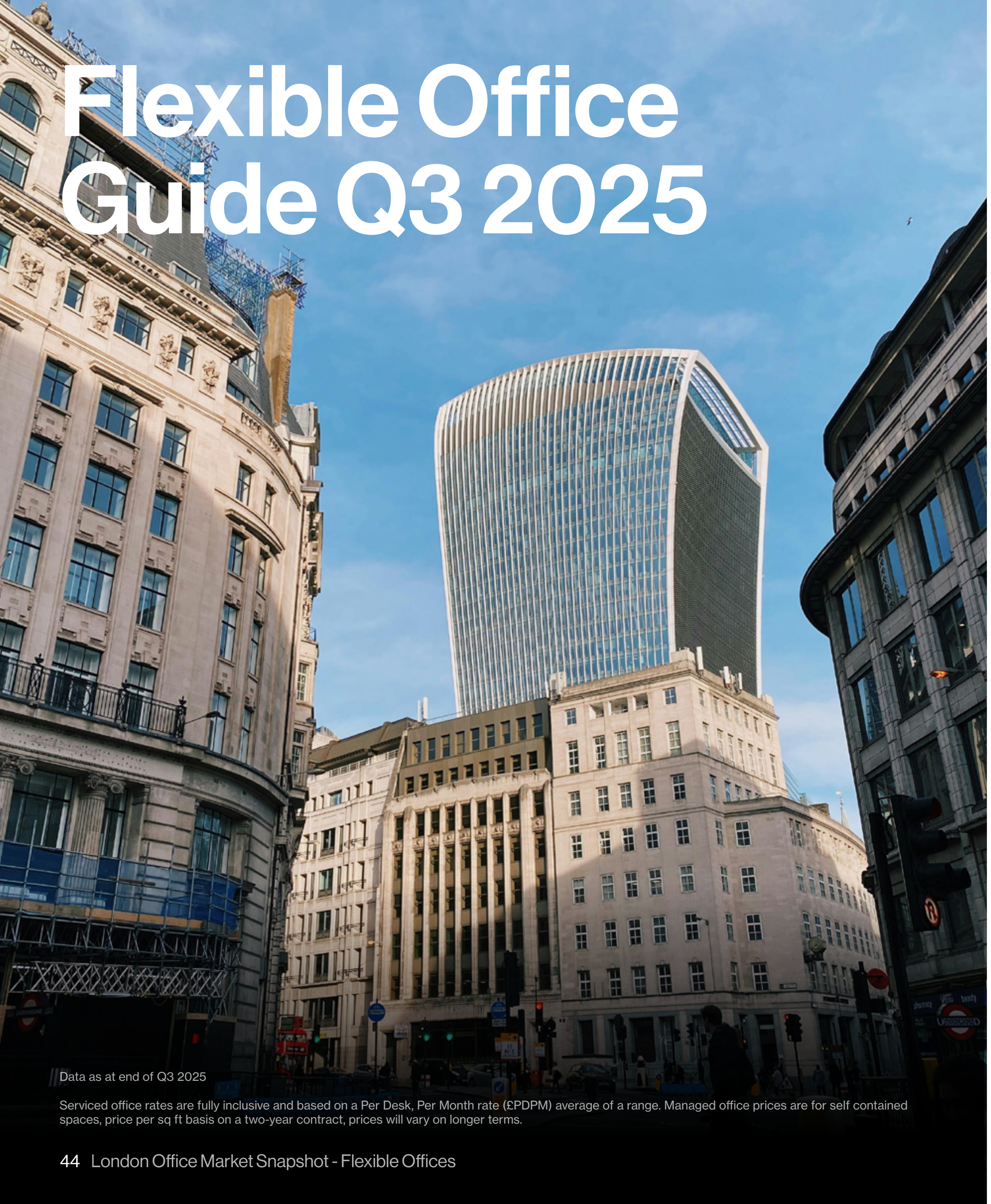
The 2026 revaluation isn't just an administrative reset - it's a strategic financial moment that will shape the true cost of workspace for years to come. Flexible office users who prepare early will be best placed to navigate the change with confidence.

Outlook

Serviced office desk pricing across Central London remained broadly stable in Q3 2025. However, this stability may be short-lived as the April 2026 Business Rates Revaluation looms, potentially driving increases in costs.

For flexible office users, this adds new uncertainty to budgeting and cash flow, as the "all-inclusive" rates many agreements rely on could climb sharply in high-value areas like the City and West End. Reviewing licence agreements, checking for business rates clauses, and stress-testing budgets for higher monthly charges will be essential steps to stay ahead of next year's cost reset.

Flexible Office Guide Q3 2025



	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	£250	£1,400	£700
SOHO	£300	£195	£1,175	£575
NORTH OF OXFORD STREET	£300	£215	£1,200	£550
KNIGHTSBRIDGE	£262	£175	£1,200	£625
VICTORIA	£240	£160	£1,075	£475
PADDINGTON	£200	£135	£900	£600
KING'S CROSS | EUSTON	£275	£180	£1,325	£525
CAMDEN	£153	£115	£575	£450
MIDTOWN				
COVENT GARDEN | WC2	£285	£180	£975	£600
MIDTOWN | WC1	£210	£170	£900	£500
CITY				
CITY CORE: BANK | LIVERPOOL ST	£245	£170	£1,050	£475
CLERKENWELL | FARRINGDON	£250	£180	£850	£575
OLD STREET | SHOREDITCH	£187	£100	£850	£400
ALDGATE | WHITECHAPEL	£140	£105	£650	£425
SOUTH LONDON				
SOUTHBANK: LONDON BRIDGE | WATERLOO	£210	£150	£1,025	£525
VAUXHALL | NINE ELMS | BATTERSEA	£155	£95	£675	£425
DOCKLANDS				
CANARY WHARF & QUAYS	£120	£87	£495	£250
EAST LONDON				
STRATFORD	£106	£87	£550	£400
HACKNEY| DALSTON	£106	£80	£450	£350
WEST LONDON				
HAMMERSMITH	£131	£100	£525	£375
WHITE CITY	£137	£92	£550	£425

Data as at end of Q3 2025

Serviced office rates are fully inclusive and based on a Per Desk, Per Month rate (£PDPM) average of a range. Managed office prices are for self contained spaces, price per sq ft basis on a two-year contract, prices will vary on longer terms.

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]().

MIDTOWN

Kings Place,
N1
3,595 sq ft

FITZROVIA

15 Rathbone Place,
W1T
3,480 sq ft

SHOREDITCH

21-33 Great Eastern St,
EC1
9,133 sq ft

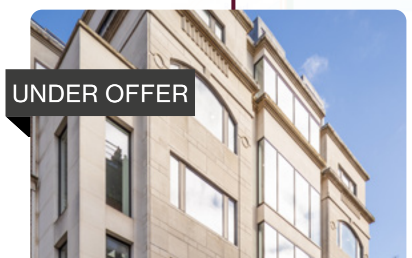
SHOREDITCH

The Warehouse,
EC2
12,430 sq ft

PADDINGTON

The Point,
37 Wharf Road W2
12,304 sq ft

MAYFAIR

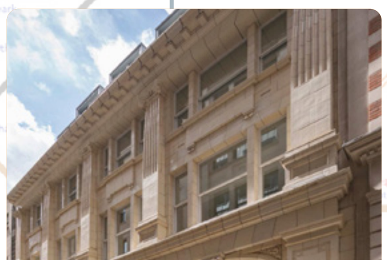


25 Savile Row,
W1
Penthouse - 5,648 sq ft

CITY

120 Aldersgate,
EC1
3,966 sq ft

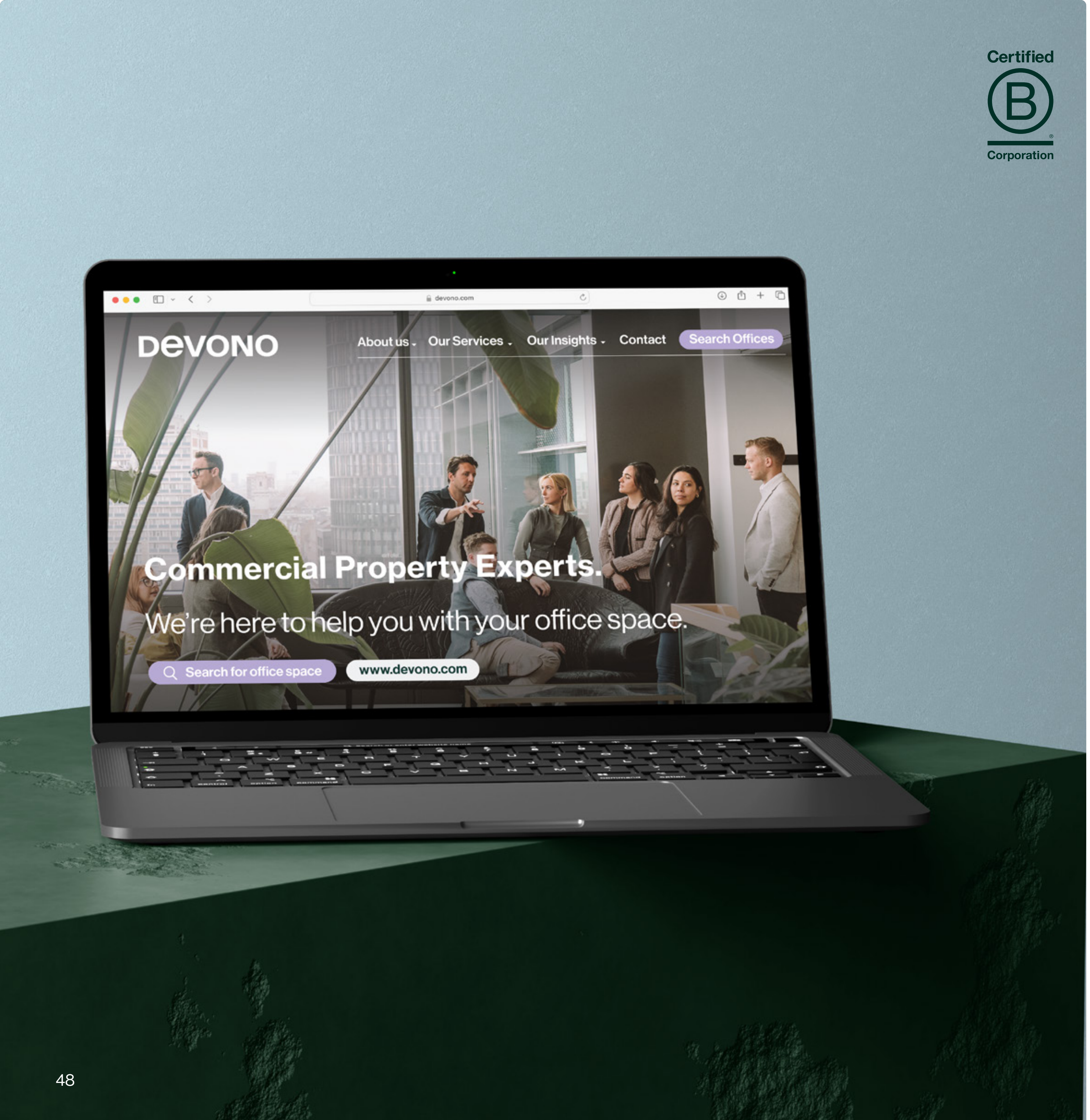
CITY



2 Idol Lane,
EC3
2,907 sq ft

SOHO

Medius House,
W1F
2,314 sq ft



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

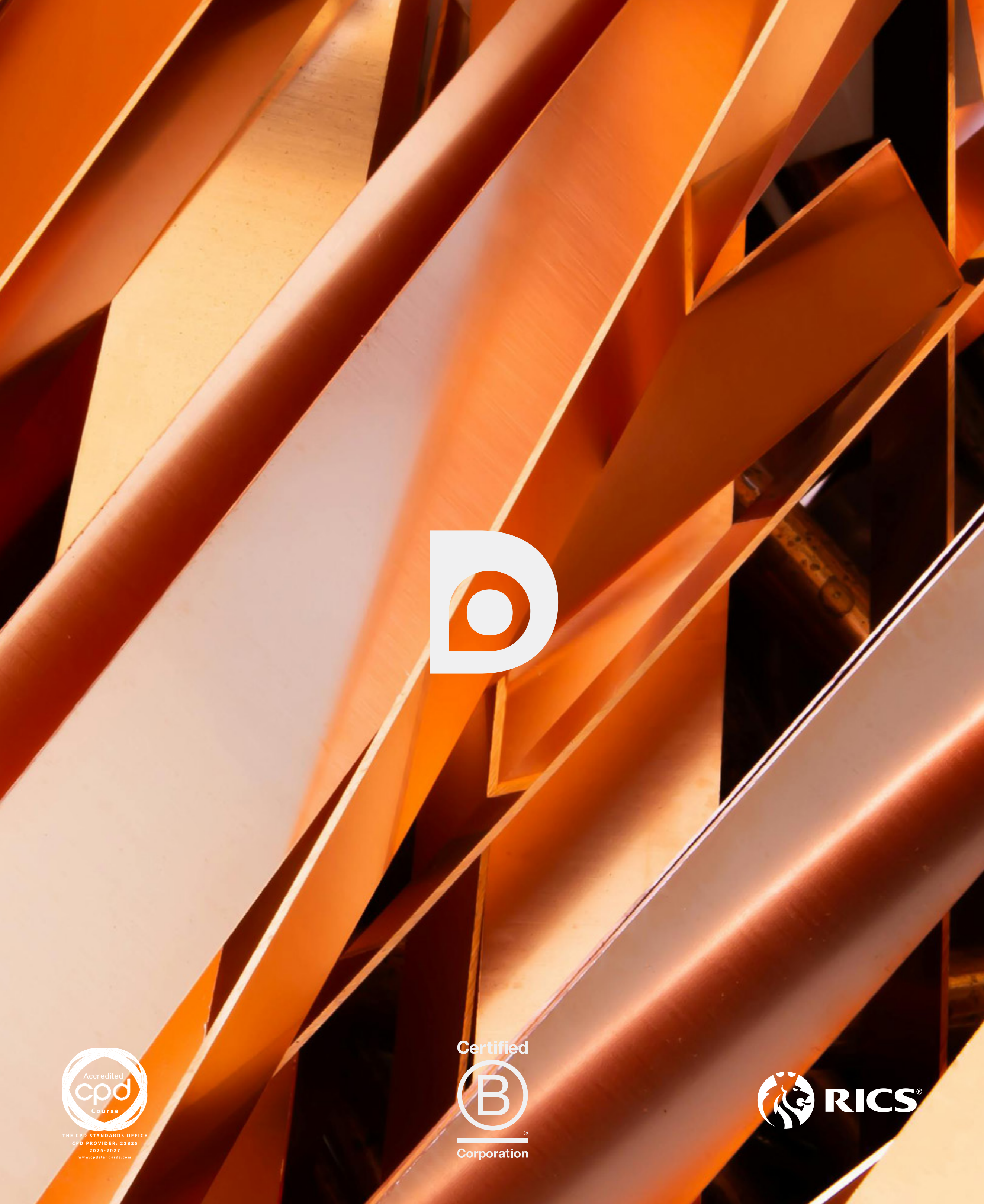
- Office Agency
- Service Charge Consultancy
- Workplace Consultancy
- Design & Build
- Dilapidations & Building Surveys
- Occupier Disposal
- Rent Reviews
- Flexible Office Agency
- Managed Offices

Contact us

Chris Lewis
Head of Occupier Agency
E: cl@devono.com
T: 020 7096 9911

Shaun Dawson
Head of Insights
E: sd@devono.com
T: 020 7451 1321

Mark James
Research Analyst
E: maj@devono.com
T: 020 7096 9911



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