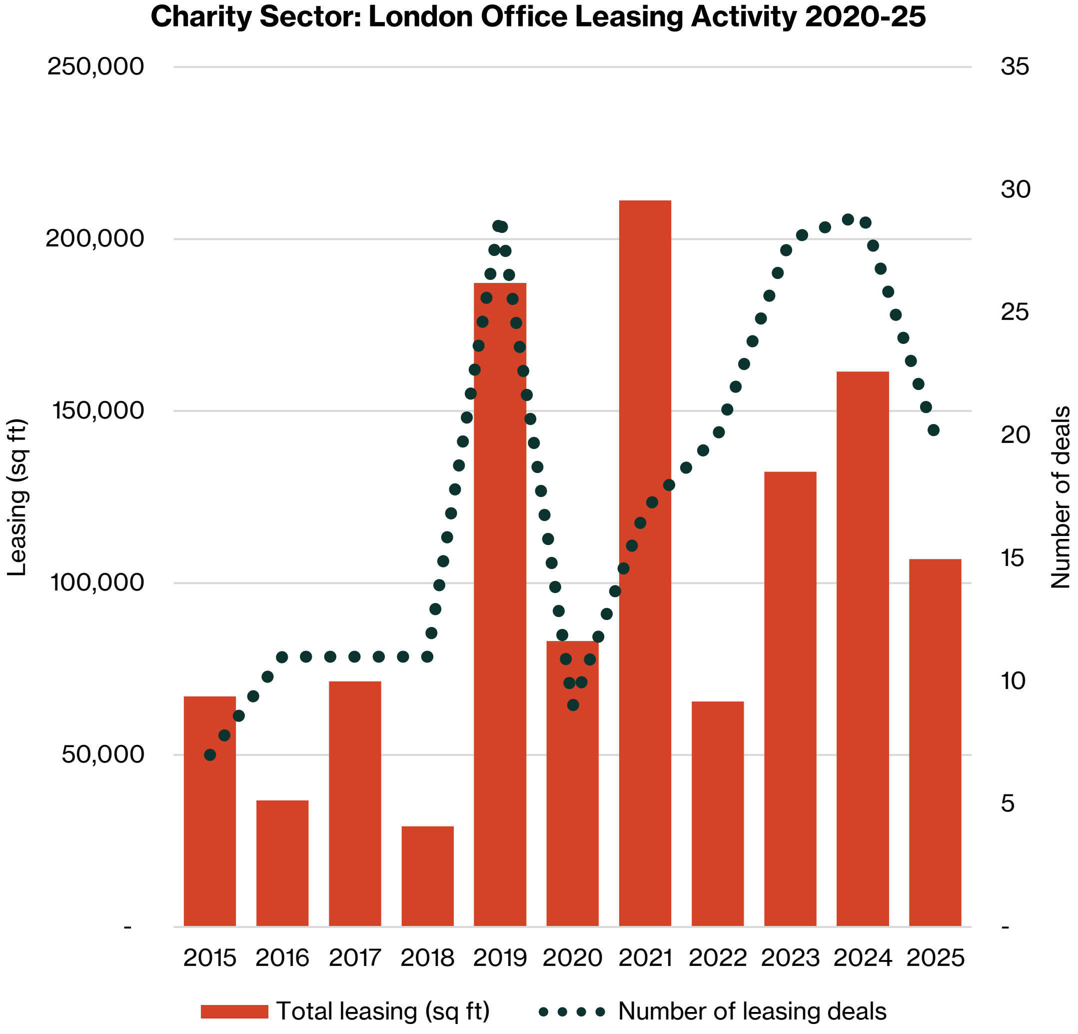
# Charity Sector Leasing in Central London

# 2025 pause after strong rebound

**The Charity sector has remained an active, if uneven, source of office demand across London over the past decade, completing 192 leasing deals totalling 1.15m sq ft. Over that period, the market averaged 105,000 sq ft per annum, although activity has been lumpy rather than linear.**

In 2025, Charity sector leasing totalled 106,989 sq ft across 20 deals. That was down 34% on 2024, when leasing reached 161,455 sq ft, and 49% below the 2021 peak.

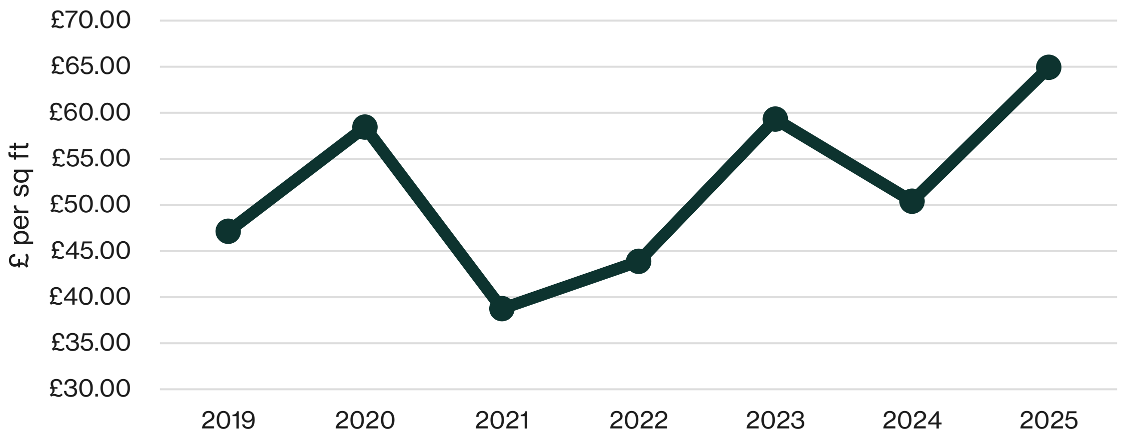
Even so, 2025 remained slightly above the long run annual average by around 2%. The number of deals also fell back, dropping from 29 in 2024 to 20 in 2025, a decline of 31%, suggesting lower overall churn in the market.



# Smaller, selective, but still active

- **Average deal size** reached 5,349 sq ft in 2025, broadly stable on 2024 (-4%), but significantly below historic highs, down 57% from the 2021 peak.
- At the same time, the **number of deals** has increased from a low of 9 in 2020 to 20 in 2025 (+122%), and above the 10-year annual average of 17.
- The **average achieved rent** paid for by Charities in 2025 rose to £64.91 per sq ft in 2025, raising the benchmark to a new high. This comes at a time when charities are increasingly cost conscious.
- The sector continues to rely heavily on **secondhand stock**. 89% of leasing in 2025 was secondhand (up from 75% in 2024). Grade A accounted for just 11%, down from 25% the previous year.
- **Pre-let or early letting activity** remains negligible, reaching just 1% of leasing in 2023 and zero in all other years since 2015, highlighting limited appetite for new developments.

**Charity Sector: Average Achieved London Office Rent, 2019-25**




**Charity Sector: Largest office leasing transactions in 2025**

| Business | Building | Market | Size (sq ft) |
|---|---|---|---|
| Centrepoint | 60 Whitechapel High Street | East Fringe | 7,018 |
| Hestia Housing & Support | | East Fringe | 6,973 |
| Maths World UK | 6 Burrell Street | Southbank | 6,803 |
| Guy's & St Thomas's Trust | 45 Curlew Street | Southbank | 6,631 |
| Quadrature | 16 Blossom Street | East Fringe | 4,893 |

# E1 rises as the City holds steady

**The City remains the home of charities**
The City continues to anchor charity demand, accounting for 33% of total leasing, in line with its long run average. Its position has held firm, with recent shifts reflecting increased competition from other submarkets rather than any weakening in demand.

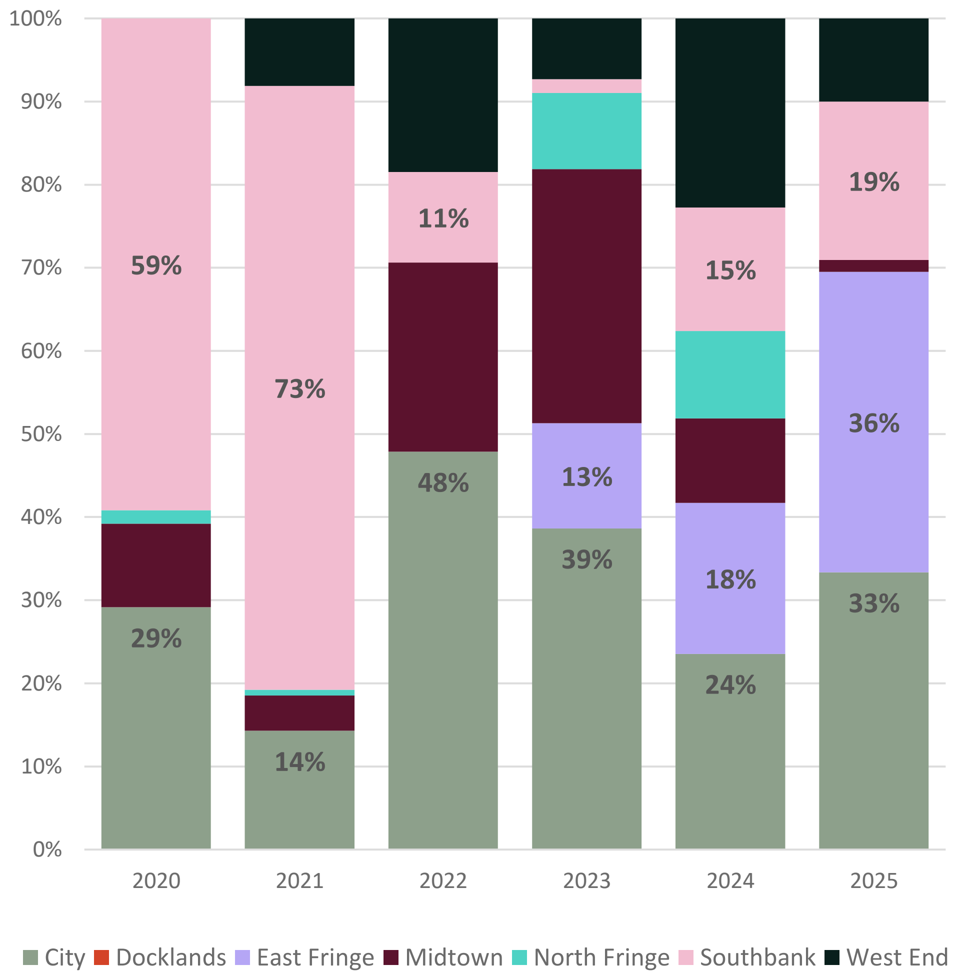
**East Fringe emerges as growth market**
East Fringe (E1) has seen the strongest momentum, with leasing rising by 131% over the past two years. It is now a key charity location, driven by relative affordability, strong connectivity and a growing supply of well refurbished space.

**Midtown and West End lose share**
Midtown has seen a sharp repositioning, with its share falling from 31% in 2023 to just 1% in 2025, a 95% drop in two years.

The West End has declined more gradually, moving from a peak of 45% in 2018 to a steadier 7-23% range, with 10% share in 2025. Both markets have become less aligned with charity cost requirements.

**Southbank volatility masks long term strength**
Southbank accounts for 27% of total leasing over the past decade, maintaining its position as the second largest market. However, activity has become more variable in recent years, shifting from periods of dominance to a more secondary, deal-led role.

**Charity Sector: Sharing of Leasing by Location, 2020-25**



# Hurdles & Obstacles

**The UK charity sector has entered 2026 under sustained structural pressure. The combination of funding constraints, rising operating costs and increasing service demand is reshaping how organisations operate and, by extension, how they approach workforce and workplace decisions.**

- **Funding contraction and income volatility -** The most immediate challenge is declining income. UK charitable donations fell from £15.4bn in 2024 to £14bn in 2025, with participation rates also falling, alongside public sector funding reducing by £1bn per annum.

- **Rising costs and the ‘perfect storm’ dynamic –** The sector is experiencing a sharp increase in operating costs, including wages, energy and NI contributions. This has been described as the ‘perfect storm’ of falling funding and rising costs and growing demand.

- **Demand for services continue to rise –** Cost of living pressures, housing needs and mental health support are some of the overriding factors that are contributing to a rise in demand for charitable services.

- **Labour and workforce challenges –** Rising employment costs alongside competition for talent, particularly in specialist areas such as social care, technology and fundraising. It has been stated that 12% of charity workers are on or near minimum wage, making wage increases particularly impactful.

- **Structural and regulatory pressures -** Beyond financial challenges, charities are also navigating broader risks including governance scrutiny, fraud, cyber threats and declining public trust. There are also indications of a more complex policy environment, with regulatory and political factors influencing funding, operations and public perception.

# What does this mean for workplaces in 2026?

The charity sector is expected to remain active within the office market but will be highly cost-sensitive heading in 2026-27.

For the office market, this is likely to translate into:

- **Lower commitment, higher flexibility:** shorter leases, more break options, and serviced or managed solutions
- **Smaller, more occupational footprints:** focus on efficiency, reduction of surplus space and alignment with hybrid working patterns, greater openness to flexible options,
- **Cost over quality, but not at any cost:** selective upgrades where value can be justified
- **Continued dominance of secondhand space,** with limited exposure to new build unless heavily incentivised
- **Shift towards value-led submarkets,** including fringe locations offering connectivity at a discount

The charity sector will remain an active but disciplined occupier group. Demand will not disappear, but it will become more selective, more fragmented and more cost-sensitive.

Charities will be placing greater emphasis on:

- **Realistic rental expectations**
- **Flexibility in occupation and lease structure**
- **Good quality space to reduce operating costs**

In essence, the sector's approach to real estate in 2026–2027 will be defined less by ambition and more by financial resilience, operational efficiency and value for money.


# Central London Rent Guide

Q4 2025

Source: Devono Insights


# Office Market *Leasehold* Rent Guide

| | LEASEHOLD £ PER SQ FT | | | |
|---|---|---|---|---|
| LONDON SUBMARKET | GRADE A | GRADE B | Q/Q AVG GROWTH | GRADE A RENT-FREE 10YR |
| **WEST END** | | | | |
| Super Prime - Mayfair \| St James's | £250.00 | - | 0% | 16-18 |
| Mayfair \| St James's | £190.00 | £105.00 | 0% | 18-20 |
| North of Oxford Street | £130.00 | £90.00 | 0% | 20-24 |
| Soho | £120.00 | £87.50 | 0% | 20-24 |
| King's Cross | £110.00 | £77.50 | 0% | 20-24 |
| Knightsbridge | £105.00 | £75.00 | 0% | 24-26 |
| Victoria | £95.00 | £80.00 | 0% | 22-26 |
| Paddington | £87.50 | £62.50 | 0% | 22-24 |
| Euston | £82.50 | £65.00 | 0% | 24-26 |
| Camden | £58.50 | £45.00 | 0% | 22-26 |
| **CITY** | | | | |
| Clerkenwell \|Farringdon | £105.00 | £75.00 | -4% | 24-26 |
| City Core - Liverpool St \| Bank | £100.00 | £75.00 | 0% | 24-26 |
| Old Street \| Shoreditch | £80.00 | £60.00 | 2% | 24-26 |
| Aldgate \| Whitechapel | £60.00 | £47.50 | 3% | 24-28 |
| Premium Tower Space High Rise | £140.00 | - | 0% | - |
| Premium Tower Space Mid Rise | £100.00 | - | 0% | - |
| **MIDTOWN** | | | | |
| Covent Garden \| WC2 | £115.00 | £77.50 | 0% | 22-24 |
| Midtown \| WC1 | £90.00 | £70.00 | 0% | 24-26 |
| **SOUTH & EAST** | | | | |
| Southbank | £97.50 | £77.50 | 3% | 22-26 |
| Vauxhall \| Nine Elms \| Battersea | £70.00 | £42.00 | 4% | 24-28 |
| Docklands | £60.00 | £37.50 | 8% | 26-30 |
| Stratford | £45.00 | £35.00 | 3% | 24-28 |
| **WEST LONDON** | | | | |
| White City | £55.00 | £37.50 | 0% | 24-28 |
| Hammersmith | £52.50 | £40.00 | 0% | 24-28 |

DEVONO

Q4 2025

Source: Devono Insights


# Office Market *Flexible* Price Guide

| | SERVICED OFFICE £ PDPM | | MANAGED OFFICE £ PER SQ FT | |
|---|---|---|---|---|
| LONDON SUBMARKET | GRADE A AVG | GRADE B AVG | GRADE A | GRADE B |
| **WEST END** | | | | |
| Knightsbridge | £1,250 | £625 | £262 | £175 |
| King's Cross\| Euston | £1,325 | £525 | £275 | £180 |
| Mayfair \| St James's | £1,400 | £700 | £425 | £250 |
| Victoria | £1,075 | £475 | £240 | £160 |
| North of Oxford Street | £1,250 | £550 | £300 | £215 |
| Soho | £1,175 | £575 | £300 | £195 |
| Paddington | £900 | £600 | £200 | £135 |
| Camden | £575 | £450 | £153 | £115 |
| **CITY** | | | | |
| City Core - Liverpool St \| Bank | £1,075 | £475 | £245 | £170 |
| Clerkenwell \|Farringdon | £850 | £575 | £265 | £180 |
| Old Street \| Shoreditch | £850 | £400 | £200 | £100 |
| Aldgate \| Whitechapel | £650 | £425 | £140 | £110 |
| **MIDTOWN** | | | | |
| Covent Garden \| WC2 | £975 | £600 | £285 | £180 |
| Midtown \| WC1 | £900 | £500 | £210 | £170 |
| **SOUTH & EAST** | | | | |
| Southbank | £1,025 | £525 | £225 | £165 |
| Vauxhall \| Nine Elms \| Battersea | £675 | £425 | £165 | £95 |
| Docklands | £495 | £250 | £135 | £90 |
| Hackney \| Dalston | £450 | £350 | £106 | £80 |
| Stratford | £550 | £400 | £115 | £87 |
| **WEST LONDON** | | | | |
| Hammersmith | £525 | £375 | £131 | £100 |
| White City | £550 | £425 | £137 | £92 |

DEVONO

Certified B Corporation

RICS