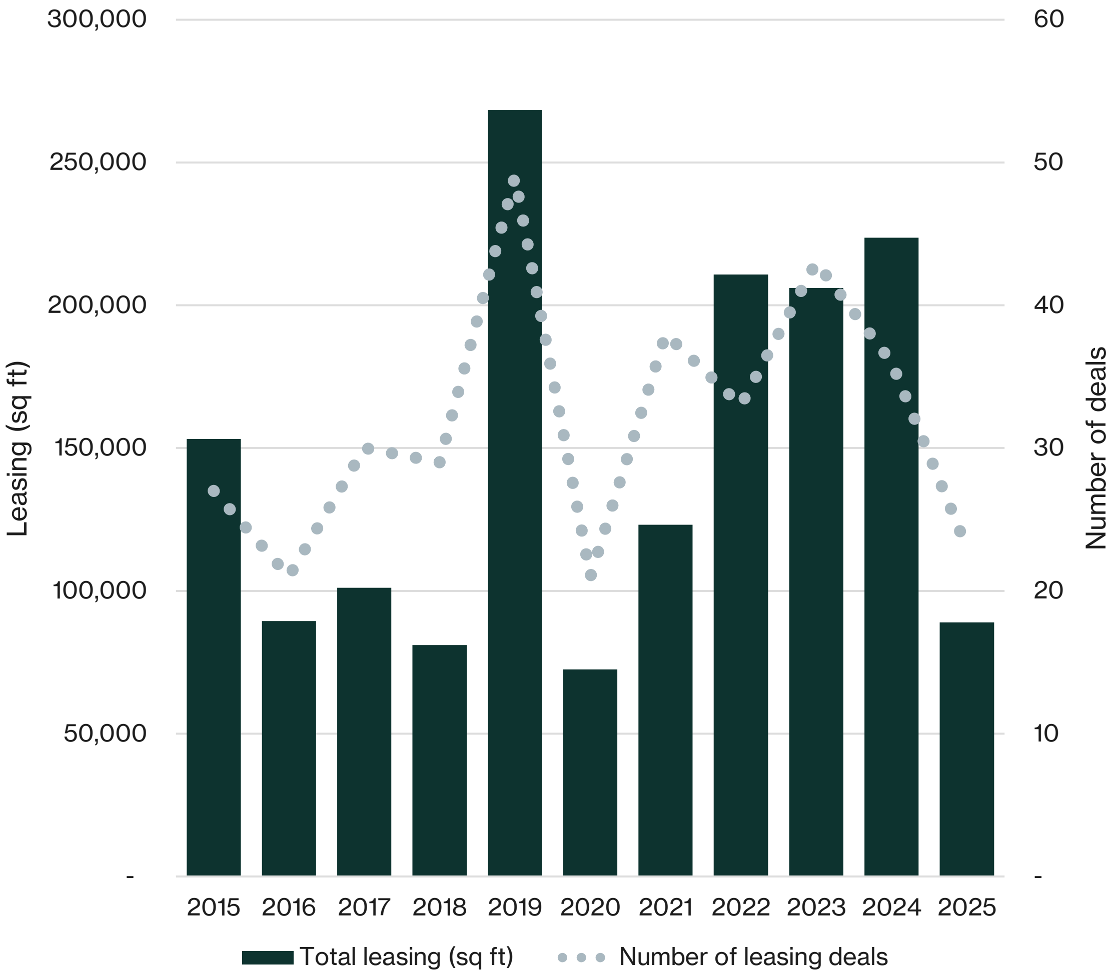
Recruitment Sector Leasing in London

2025 Year for reset

Office leasing activity by recruitment firms across Central London in 2025 fell sharply to just shy of 89,000 sq ft, down 60% on 2024 and nearly two-thirds below the 2019 peak.

Deal volumes followed a similar pattern, dropping to 23 transactions, down from 36 in 2024 (-36%) and well below the 43 deals seen in 2023.Whilst the data may point towards a withdrawal from the market, our analysis suggests it is more of a reset.

Recruitment Sector: London Office Leasing Activity 2015-25



What changed in 2025?

- **A decisive move to smaller, lower-risk space**

Average deal sizes reduced to 3,869 sq ft, down 38% year-on-year (from 6,213 sq ft in 2024).Compared to the 2022-2024 period, where average deals consistently exceeded 4,500-6,000 sq ft, this marks a clear shift towards leaner occupational footprints.

- **Cost-first decision making dominates**

For the first time, 100% of leasing activity was in secondhand space, up from 88% in 2024 and already elevated levels in previous years. Grade A new-build demand, which historically captured 15-25% of activity, disappeared entirely in 2025.

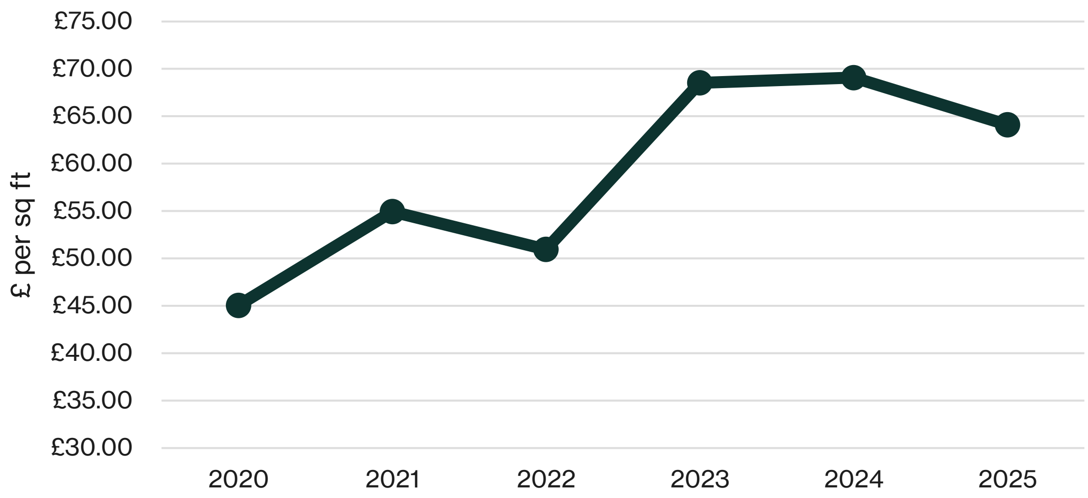
- **Rents remain resilient despite downshifting quality**

Average achieved rents softened slightly to £64.11 per sq ft, down 7% on 2024, but still 25% above 2022 levels. This reflects ongoing competition for well-located, a good quality space, even as occupiers trade down on some specifications.

- **Flexibility remains embedded**

Average lease lengths held broadly stable at 5.3 years, continuing the post-2020 shift away from longer commitments where the average pre-2019 was 6+ years.

Recruitment Sector: Average Achieved London Office Rent, 2020-25



Recruitment Sector: Largest office leasing transactions in 2025

Business	Building	Market	Size (sq ft)
Investigo	Times Building, 1-3 London Bridge Street	Southbank	20,000
ManpowerGroup	7 Devonshire Place	City	10,073
Leathwaite Human Capital	16 St Martin’s Le Grand	City	6,144
11 Investments	21-28 Stephen Street	West End	4,768
Eton Bridge Partners	262 High Holborn	Midtown	4,652

Where did leasing shift?

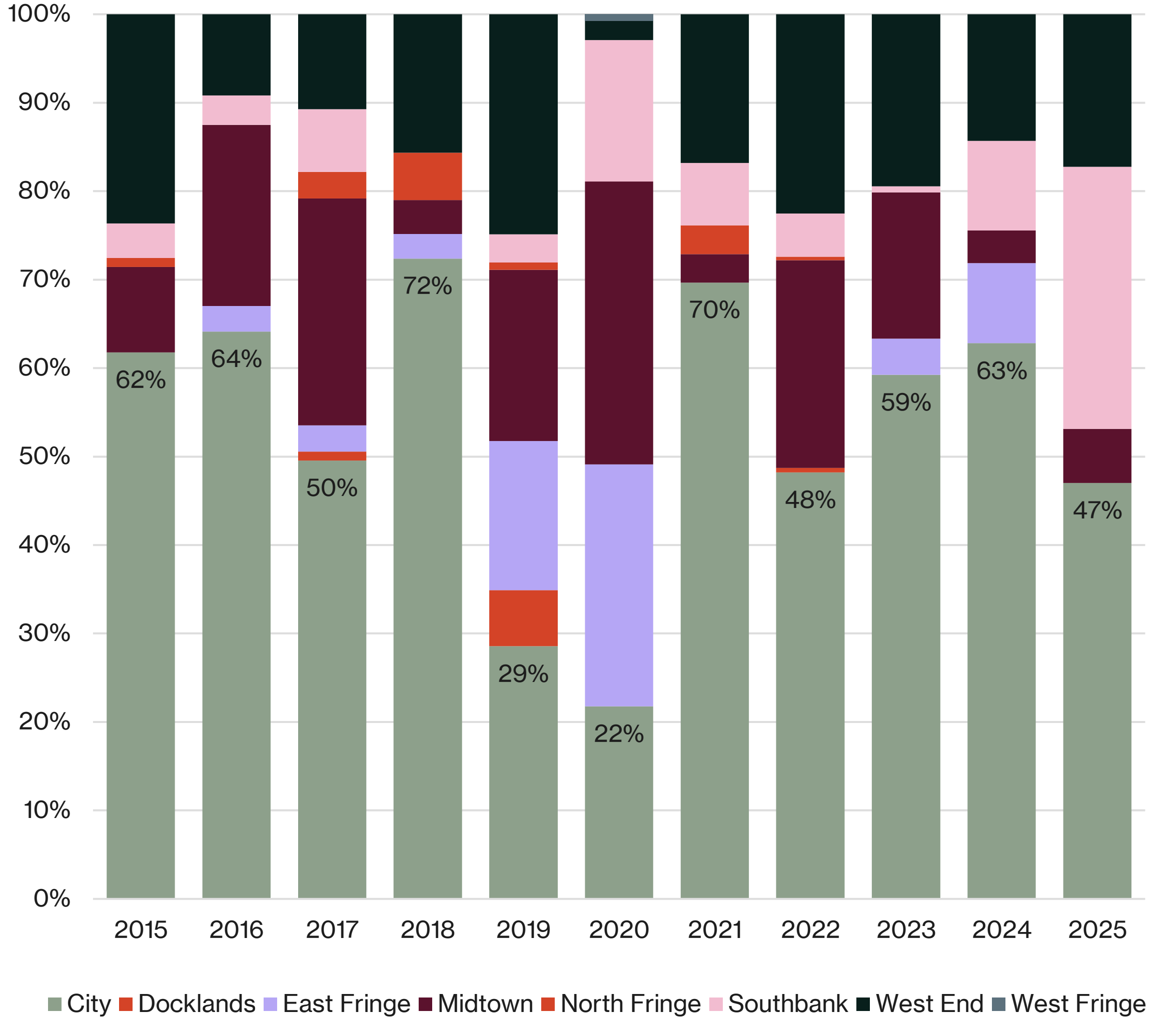
The City remains the anchor, but share is eroding
The City accounted for 47% of activity in 2025, down from 63% in 2024 and over 70% in peak years. It remains the core market, but no longer the default.

Southbank is the breakout story
Southbank surged to 30% of leasing activity, up from 10% in 2024 and low single digits historically. This is the most significant structural shift in the dataset, reflecting demand for value-led, well-connected alternatives and led by the leasing deal by Investigo.

West End holds steady, Midtown weakens
The West End maintained a consistent 14-19% share, while Midtown dropped sharply to 6%, down from 24% in 2022.

Fringe markets fall away
East Fringe (E1) and Docklands leasing activity reduced to effectively zero, reinforcing a preference for core, talent-rich locations over peripheral cost plays.

Recruitment Sector: Sharing of Leasing by Location, 2020-25



Leasing mirroring the market

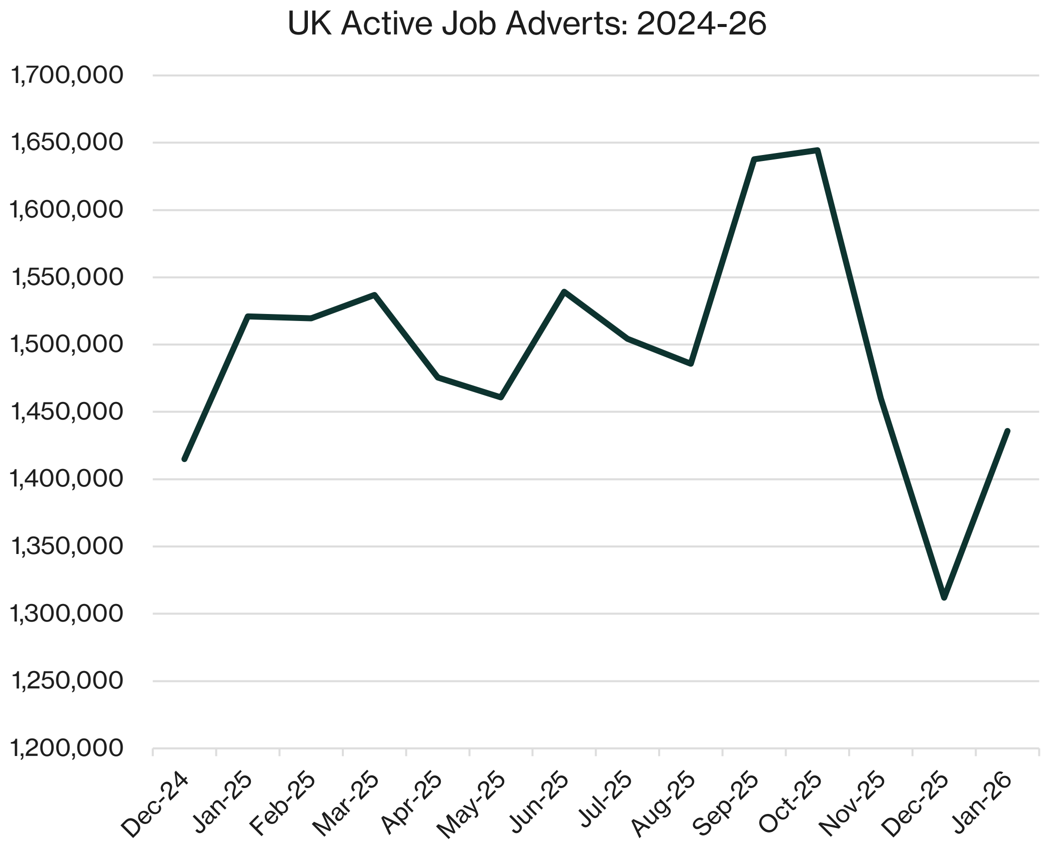
The occupational shift closely mirrors conditions in the UK recruitment market:

- Job vacancies are down around 10% year-on-year, and remain below pre-pandemic levels
- Hiring activity weakened through late 2025, with permanent placements declining at the fastest rate since mid-2023
- The labour market remained soft but is now seeing signs of stablising, with unemployment ending January 2026 at 5.2% , down marginally on the previous period
- A British Chamber of Commerce survey shows only 23% of businesses are planning to increase headcount in early 2026, with 14% expecting to decrease.

At the same time, there are early signs of improvement:

- Hiring confidence has begun to recover, with a sharp quarterly uplift in employer outlook (+125%), according to ManpowerGroup research
- Permanent hiring declines are now easing, suggesting the market may be nearing a floor

The overall picture is one of stabilisation, not acceleration**.**



Source: REC

What does this mean for workplaces in 2026?

Recruitment firms are entering 2026 with a different mindset:

Cost discipline is structural, not cyclical
Secondhand, fitted and sublease space will continue to dominate unless hiring materially improves.

Flexibility is non-negotiable
Shorter leases, break options and managed solutions remain central to decision making.

Location strategy is more nuanced
- Core markets still matter.
- But value within prime locations is now the key driver
- Southbank-type submarkets are likely to see continued demand

Earlier engagement will increase
With better quality space limited, firms will need to act earlier despite a cautious outlook.

Recruitment firms have not stepped back from London; they have tightened their approach.

From 2019 to 2025, the sector has moved:

- From expansion to efficiency
- From Grade A new-build to fitted secondhand
- From location-led decisions to cost and talent-led strategy

2026 will not be about taking more space. It will be about taking the right space, at the right cost, with the right level of flexibility.

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Central London Rent Guide

Q4 2025

Source: Devono Insights

Office Market *Leasehold* Rent Guide

LONDON SUBMARKET	GRADE A	GRADE B	Q/Q AVG GROWTH	GRADE A RENT-FREE 10YR
	LEASEHOLD £ PER SQ FT			
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

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