Energy Sector Leasing in Central London

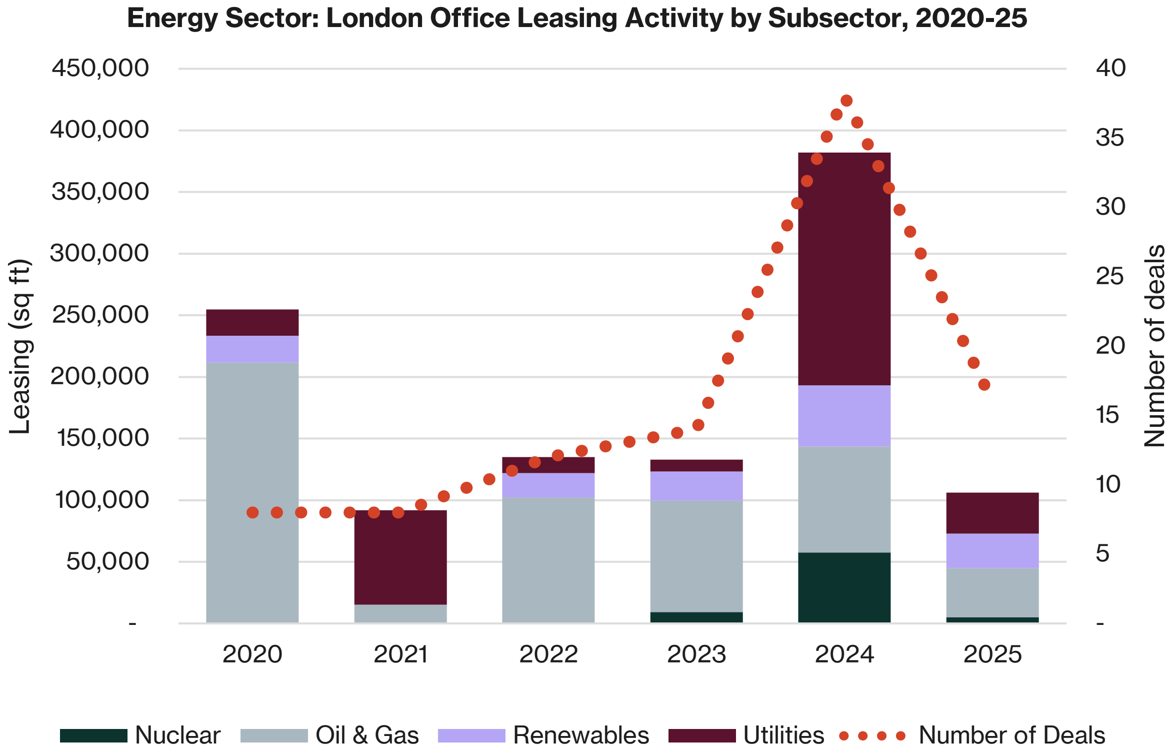
Low Voltage: Leasing Activity Loses Charge

Following an exceptional year in 2024, leasing activity from energy sector firms reset sharply in 2025, highlighting the sector's uneven demand profile.

Elevated volumes in 2024 were supported by stronger demand and a handful of large transactions, which masked a more cautious underlying picture. In contrast, 2025 marks a return to more typical conditions, with more measured decision making, tighter requirements and fewer one-off large deals.

The market remains active, but far more selective in how, where and when space is taken.

- Take-up declined **72% year-on-year to 106,000 sq ft**, falling below the 10-year annual average of 158,000 sq ft
- Activity was notably lower in scale, with **no mega deals recorded**, in contrast to 2024
- Deal flow shifted toward **smaller, operationally driven requirements**, with limited expansionary demand



- Leasing patterns became more **subsector-driven**, with trading firms remaining active while oil & gas and infrastructure activity was more sporadic
- A continued emphasis on **cost control and flexibility** shaped decision making, influencing both location and building quality choices
- Underlying demand persists, but is **more cautious, targeted** and timing-sensitive than in peak years

Quality Over Quantity in Focus

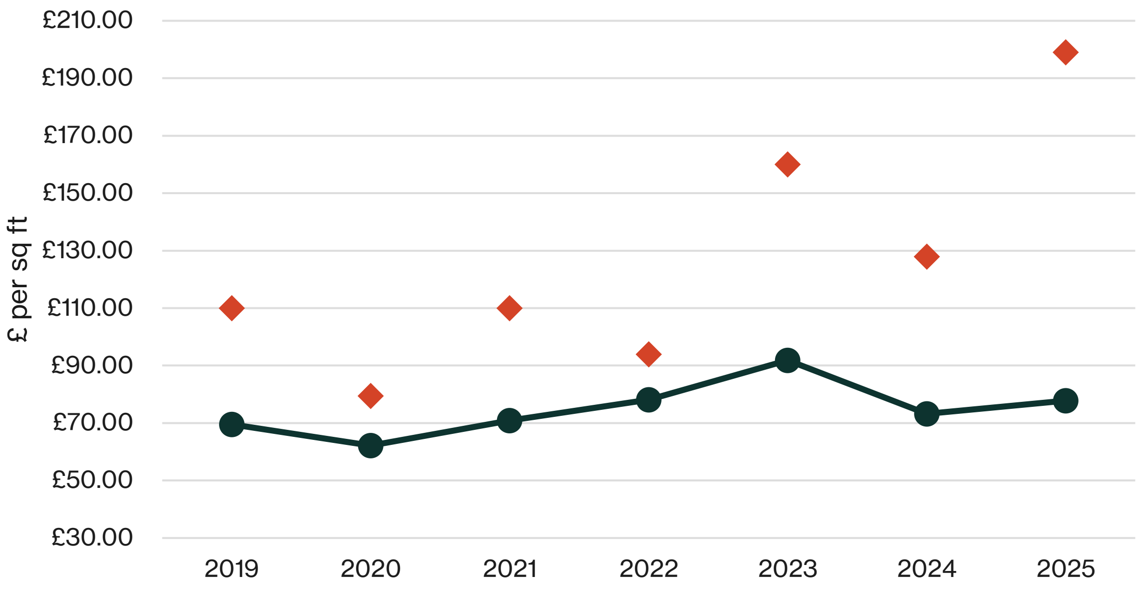
Average deal size has tightened
With no mega deals in 2025, requirements have reverted to predominantly sub-10,000 sq ft, reflecting a shift toward smaller, needs-led space. The average size of deal in 2025 was 6,632 sq ft, half of the 10-year annual average.

Deal volumes down materially
Transactions fell to 16 deals in 2025, from 38 in 2024 (-58%), in line with the -72% drop in take-up, signalling weaker demand, but remains marginally above the long-term average of 14.

Rents remain firm at the top end
Despite lower volumes, achieved rents have held steady, supported by continued competition for best-in-class space. The average achieved rent reached £77.76 per sq ft, with the highest achieved being £199.00 per sq ft.

Rebalancing toward secondhand space
Secondhand space accounted for 57% of leased office space in 2025 (from 24% in 2023), largely as a result of space being let in markets such as Mayfair and St James's. There is still demand for prime and value-led space, with searches casting elsewhere.

Energy Sector: Average Achieved London Office Rent, 2019-25



Energy Sector: Largest office leasing transactions in 2025

Business	Building	Market	Size (sq ft)
Centrica	Paddington Square	Paddington	7,018
Vitol London	Nova South	Victoria	6,973
CNCP	80 Strand	Midtown	6,803
Energean	1 Great Cumberland Place	North of Oxford Street	6,631
Scottish Power Renewables	1 Tudor Street	Midtown	4,893

A more selective, segmented market

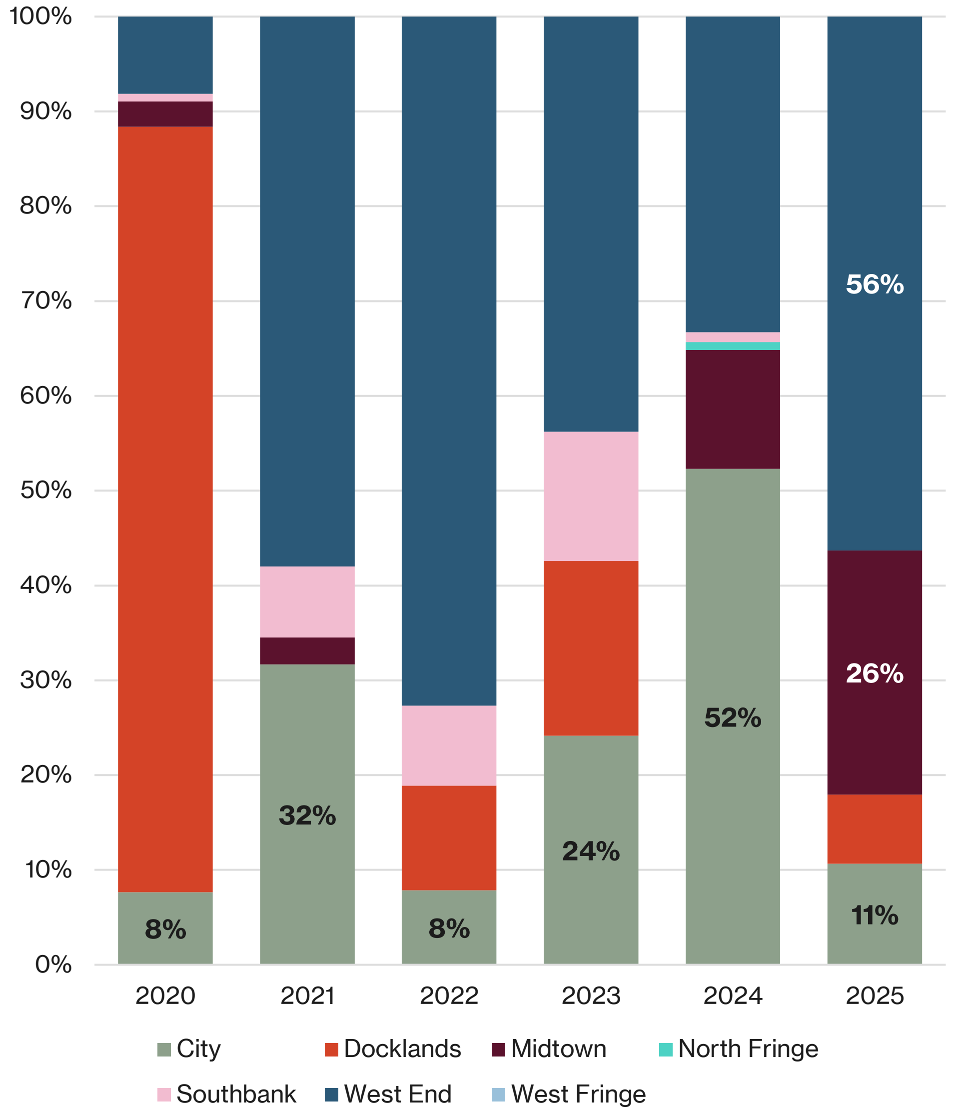
West End takes the lead
The West End accounted for 56% of leasing activity in 2025, a marked reversal from 2024. Notably, three of the five largest deals were secured here, but in less traditional locations such as Paddington, Victoria and north of Oxford Street, signalling a shift away from the core Mayfair and St James's markets.

City loses ground
The City's share fell to 11% in 2025, well below the long-term average of 29%. In volume terms, just 11,298 sq ft was transacted, making it one of the lowest annual totals recorded over the past decade.

Midtown re-emerges
Midtown captured 26% of leasing activity in 2025, building on renewed demand seen in 2024 after two years of no deals. A combination of good availability and a relative pricing advantage to the West End is drawing occupiers into this market.

Southbank set for future activity
While Southbank recorded no leasing activity in 2025 and has historically not been a focus energy firms, this is set to change. Early 2026 saw BP commit to a new 192,000 sq ft HQ at Timber Square, with occupation expected from 2028, which will significantly raise the submarket's profile.

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



Different Currents: Energy Leasing Splits by Subsector

Our analysis highlights a fragmented market, with 2025 marking a broad reset following a Utilities-led surge in 2024. Location strategies diverge clearly, from City-centric Utilities and Nuclear, to West End-led Oil & Gas and Renewables, with the latter showing the greatest flexibility across London's submarkets.

Oil & Gas moderates but remains a core driver
Leasing activity fell to 39,528 sq ft in 2025 (-54% year-on-year). Despite this pullback, the subsector remains a consistent occupier, heavily concentrated in the West End (59.6%), with additional presence in Midtown and Docklands, reflecting a mix of corporate and operational functions.

Utilities return to more typical levels
Following a dominant 2024, Utilities activity has normalised. Over the longer term, demand remains volatile, but with a clear preference for the City (57%), aligned to infrastructure and regulatory functions, alongside a strong West End presence (35.5%) for corporate space.

Renewables continue to build, with flexibility on location
Leasing eased to 28,191 sq ft in 2025 (-43%) but remains above pre-2023 levels. This is the most consistently growing subsector, favouring the West End (48.2%), while also maintaining a notable footprint in the City (25.3%) and Midtown (16.5%), reflecting a more talent-led and cost-aware approach.

Nuclear remains niche and project-led
Activity dropped to 5,160 sq ft in 2025 (-91%), underlining its episodic nature. Leasing is concentrated in the City (64.9%), with a secondary bias toward the West End, suggesting a split between technical, regulatory and higher-level corporate functions.

What does this mean for workplaces in 2026?

The energy sector will remain a key player in the London office market in 2026, a sector which is in a period of transition and shifting focus will see that translate into its requirements and ultimate of space and location.

What do we expect to see:

More targeted, function-led workplace strategies
The divergence across subsectors will drive more tailored workplace solutions, rather than a one-size-fits-all approach. Legacy energy firms will continue to prioritise high-performance, central offices, while renewables and newer entrants will favour flexible, cost-efficient space aligned to talent.

Continued polarisation in building quality
Demand will remain focused on best-in-class Grade A and well-positioned refurbished space, with limited appetite for poorer stock. Occupiers will take less space overall but expect more from it in terms of ESG credentials, amenities and workplace experience.

Greater emphasis on cost control and optionality
With activity becoming more selective, occupiers will prioritise value and flexibility in lease structures, including shorter commitments, break options and managed solutions. This will be particularly evident among renewables and project-led businesses.

Location strategies will continue to fragment
The split between the City, West End and fringe submarkets will become more pronounced. Firms will increasingly choose locations based on function, talent access and cost, rather than defaulting to traditional clusters.

Earlier and more deliberate decision making
Despite lower overall activity, decision making will become more proactive, particularly for larger or more complex requirements. As supply of high-quality space tightens, occupiers will need to plan earlier to secure the right buildings on the right terms.

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

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Q4 2025

Source: Devono Insights

Office Market *Flexible* Price Guide

LONDON SUBMARKET	SERVICED OFFICE £ PDPM		MANAGED OFFICE £ PER SQ FT	
	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

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