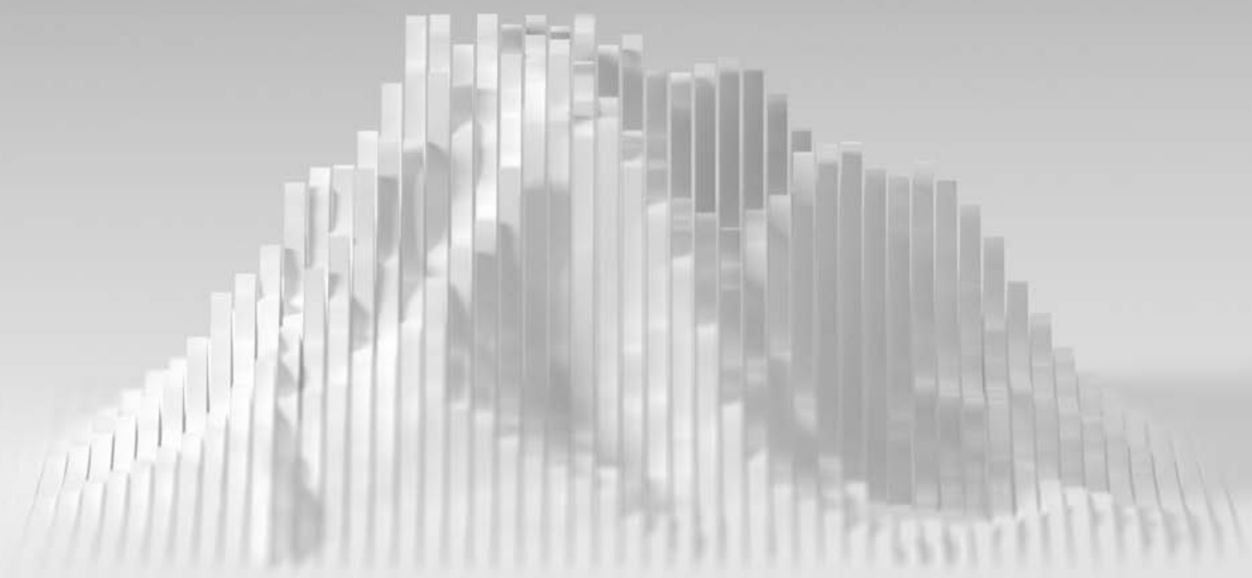
The Investment Occupier Snapshot

London Office Leasing Trends



DEVONO

In this *report*

This report examines office leasing activity across central London, tracking demand from investment and asset management firms, hedge funds and pension funds.

We explore where these occupiers are taking space and how requirements are shifting, as well as what recent activity reveals about location preferences, rental appetite and workplace strategy across one of London's most influential occupier groups.

CONTENTS

How active is the investment sector?

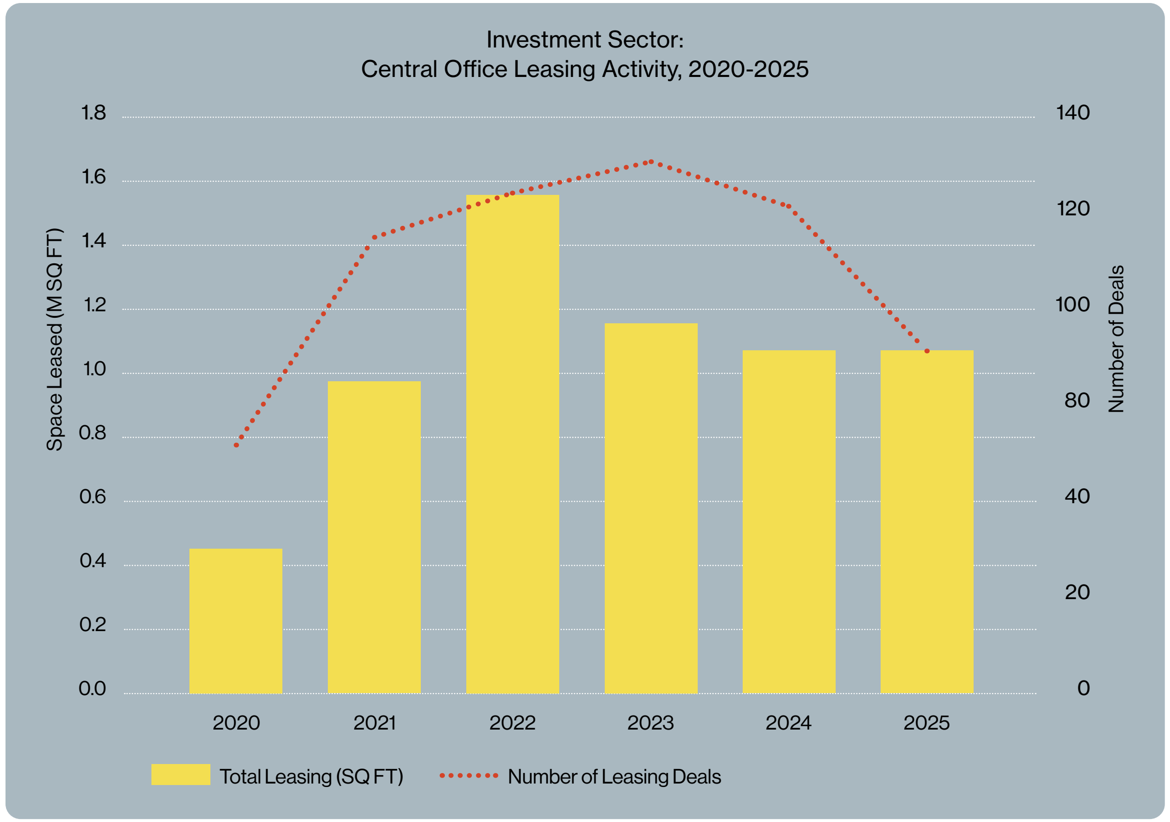
Consistency in Volume, *Caution in Commitment*

Following a peak in 2022, activity from the Investment sector has stabilised over the past three years.

1.1 million sq ft was leased by the sector in 2025, the same volume as in 2024 and just above the short-term annual average (up 3%).

However, while leasing totals have remained stable, this is not indicative of a new swell of commitment from the sector. In fact, the number of firms leasing new space actually ticked downwards over the last two years, with the 83 deals transacted in 2025 having represented the lowest turnout since 2020, a wider market low.

Investment sector firms leasing in 2025 were more cautious with the lease terms they were committing to; the average lease length has fallen year-on-year since 2022, settling at 7 years in 2025, representing another post-pandemic low.



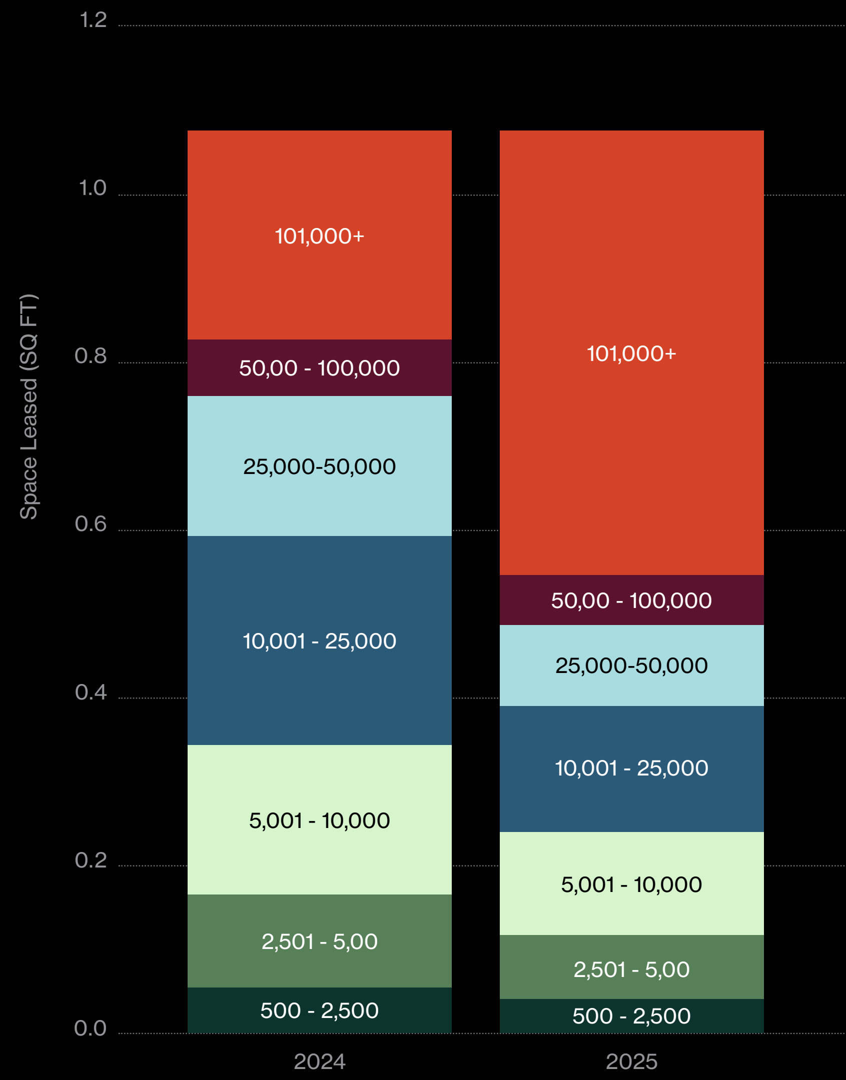
How much space is the sector leasing?

Mega Deal Activity Obscures *Market Slowdown*

So why has leasing kept pace with previous years despite a slowdown in signings?

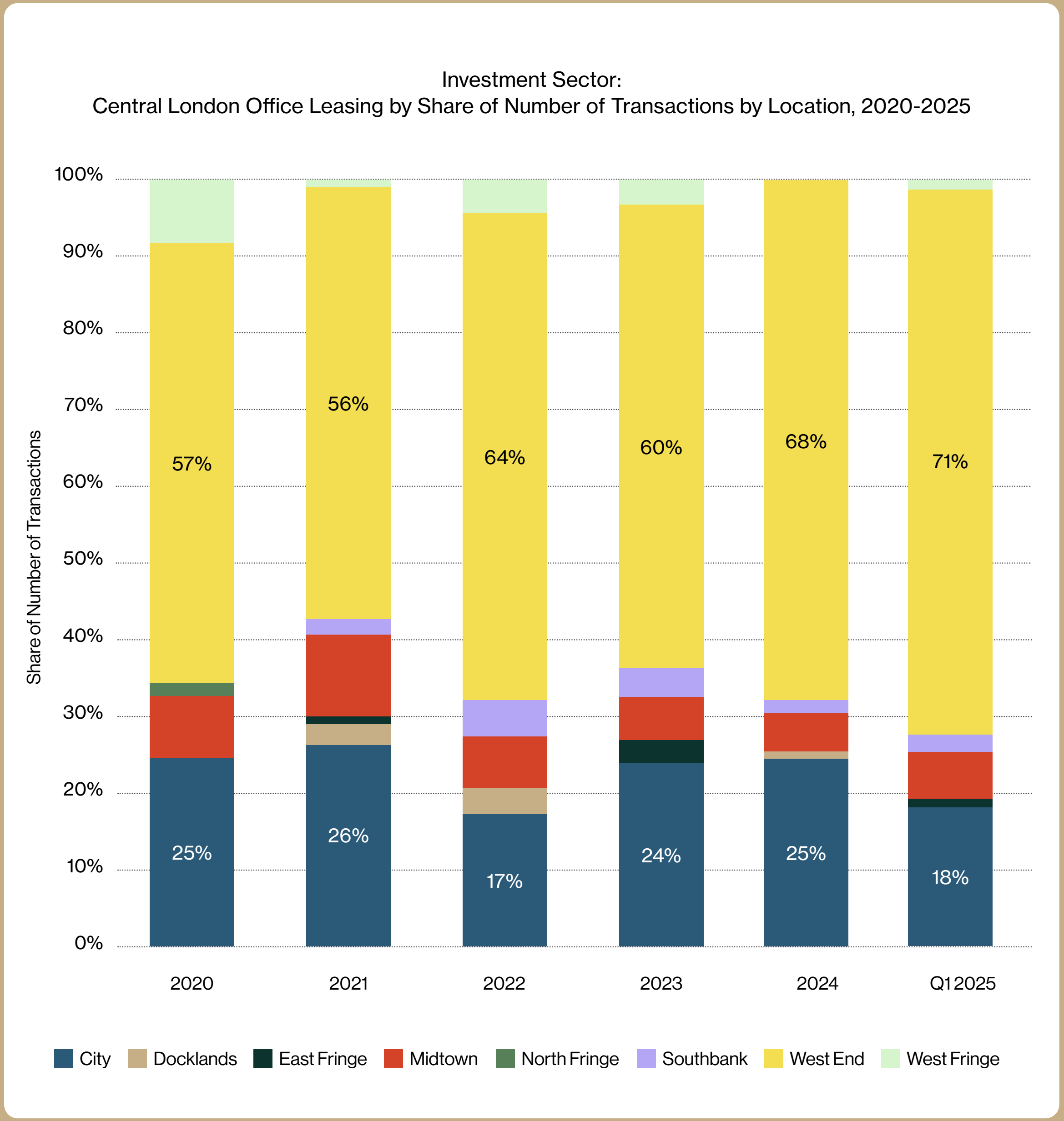
A significant portion of the space leased in 2025 came directly from Squarepoint's pre-let of 407,000 sq ft of space at 65 Gresham Street. For perspective, this single deal contributed 38% of the space leased in 2025. As such, when we exclude mega deals from our analysis, we can see that deals below 100,000 sq ft contributed 34% less to space leased than in 2024 due to falling deal numbers, with the chart showing a reduction in volume leased in every size range.

This is partially because occupiers have been pursuing quality over quantity, with a drop in deal numbers also having been accompanied by an uplift in the proportion of Grade A being leased, from 22% of deals signed in 2024 to 30% in 2025.



Where is the investment sector leasing?

West End *dominates*



The **West End** remains the dominant market for investment firms, accounting for 71% of all leasing deals in 2025, with Mayfair continuing to lead activity. While the area has long been synonymous with the sector, demand has increasingly spread into surrounding submarkets that offer greater choice on quality, cost and amenity provision.

North of Oxford Street, **Soho** and **Victoria** continue to attract strong occupier interest, together accounting for 39% of all West End deals signed in 2025.

However, a shortage of larger available options in the West End has pushed some businesses eastwards into the **City**, where the average deal size reached 36,055 sq ft. This helped lift the City's share of total leased space to 50%.

Activity outside the West End and City remained limited, with Midtown capturing just 6% of total signings.

Outlook

We expect this polarised demand profile to continue with rising cost pressures, including the business rates revaluation, energy costs and geopolitical uncertainty, likely to impact investment firms in different ways.

Cost Consciousness to Taper West End Preferences

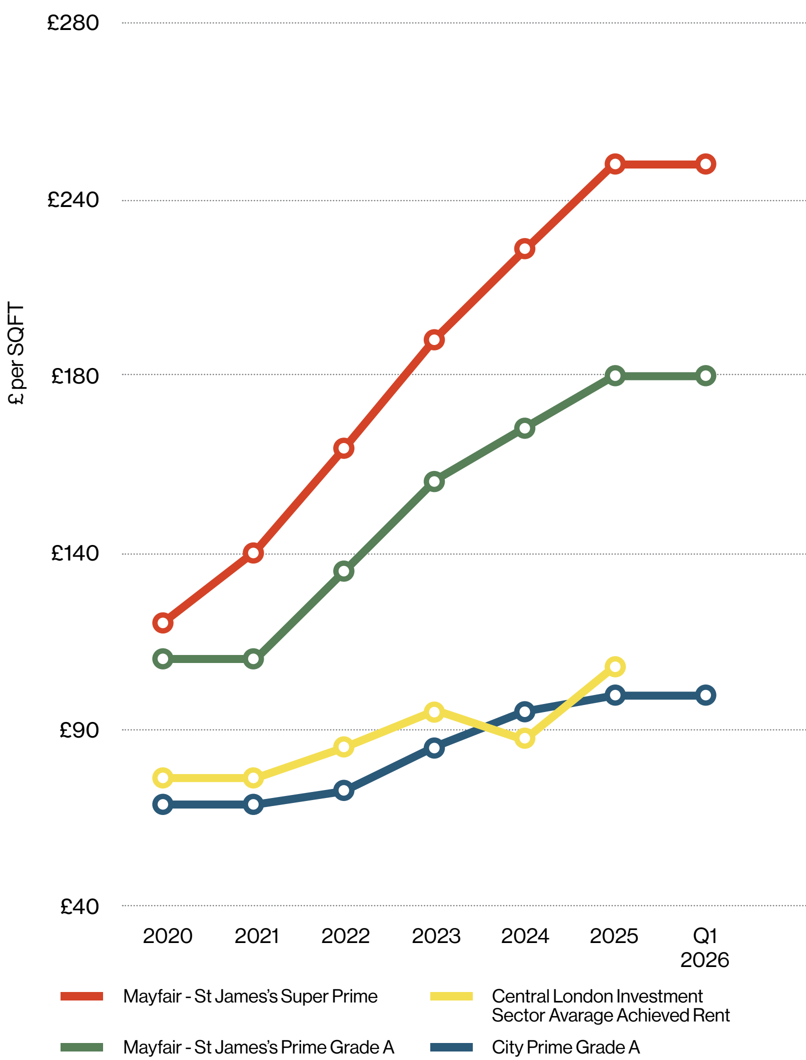
As sector activity continued to be concentrated in the Mayfair and St James's submarkets in 2025, prime rents for the very best spaces also rose sharply across the year. In particular, rents for super-prime spaces increased by 11% to £250 per sq ft, while prime Grade A rents rose by 9% to £190 per sq ft.

However, the average achieved rent on deals by the sector was significantly lower at £107.66 per sq ft, reflecting activity in more cost-effective locations. This suggests that many investment sector occupiers are still seeking value where possible, which could strengthen the appeal of the City, where higher-quality space is available at levels closer to the sector's average achieved rent.

Outlook

With investment firms and other occupiers targeting the West End more actively, the supply of high-quality floors is tightening. As a result, rental pressure is expected to build selectively across the market, particularly in the most sought-after West End locations. This will be offset by rent-free incentives, but even those are expected to tighten in 2026.

Investment Sector:
Average Achieved Rent vs Prime Rents, 2020-2026



Hurdles & *Obstacles*

The UK's Investment sector is set to face ongoing market headwinds amidst an intense atmosphere of uncertainty.

Markets continue to be affected by global shifts, meaning wealth managers are consistently having to adapt. Furthermore, many of the new developments in the sector, such as the growing influence of AI and a shifting global backdrop, have brought new considerations as well as possibilities:

AI INTEGRATION

While AI is offering investment firms an opportunity to streamline their workflows and enhance their analysis, it is also opening up more avenues for cyberattacks, in light of which firms will need to bolster their protection.

EXTERNAL SHOCKS

In the thick of an everchanging geopolitical landscape, from changing tariff policies to existing and emerging conflicts, wealth management firms are being forced to adapt.

REGULATION

The Financial Conduct Authority expects firms to tighten up on a number of elements of their operations, including resilience in the face of external shocks, consumer duty, liquidity management and ESG reporting.

TALENT ISSUES

Talent attraction remains a key issue, with firms increasingly prioritising securing AI-literate analysts. However, a by-product of this has been a squeeze on junior roles as AI is automating more and more of their responsibilities. Wealth management firms will therefore need to adjust the structure of their junior positions to ensure a strong pipeline of new talent remains.

WORKING PATTERNS

Larger corporates in the sector have increasingly been demanding greater in-office attendance, however employee expectations around flexible working remain robust, which will continue to create friction.

Leasehold Rent Guide Q1 2026

Data as at end of Q1 2026

Q-on-Q average growth denotes general rental tone change of leasehold Grade A & B combined from Q4 2025 to Q1 2026

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

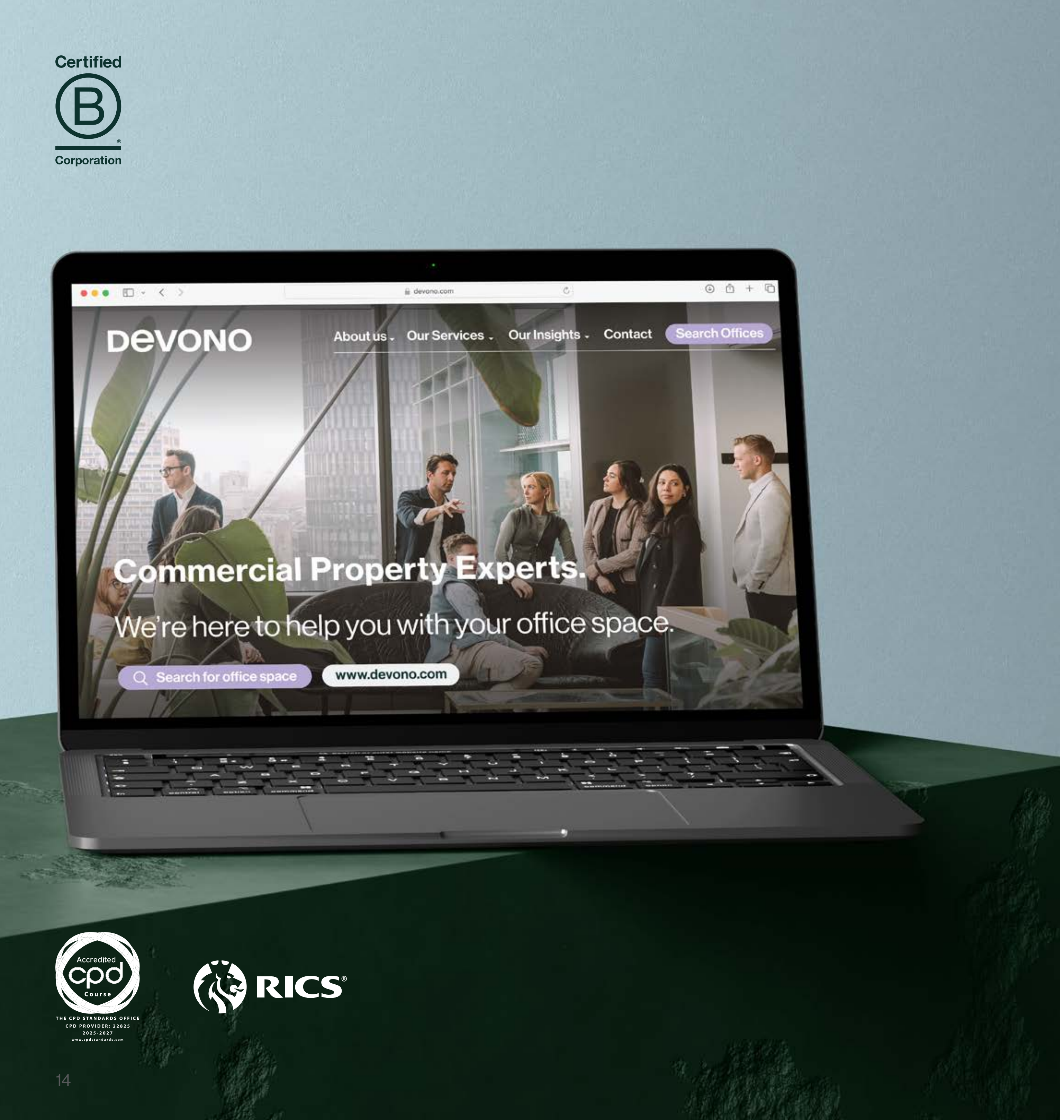
	LEASEHOLD £ PER SQ FT			
	GRADE A	GRADE B	Q/Q AVG GROWTH	GRADE A RENT-FREE 10-YR TERM
WEST END				
SUPER PRIME - MAYFAIR | ST JAMES'S	£250.00	-	0%	16-18
MAYFAIR | ST JAMES'S	£190.00	£110.00	2%	18-22
NORTH OF OXFORD STREET	£130.00	£90.00	0%	20-24
SOHO	£120.00	£87.50	0%	20-24
KING'S CROSS	£110.00	£85.00	5%	20-24
KNIGHTSBRIDGE	£105.00	£75.00	0%	24-26
VICTORIA	£100.00	£80.00	3%	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
MIDTOWN				
COVENT GARDEN | WC2	£110.00	£77.50	-2%	22-24
MIDTOWN | WC1	£95.00	£70.00	3%	24-26
CITY				
CLERKENWELL | FARRINGDON	£105.00	£75.00	0%	24-26
CITY CORE - LIVERPOOL ST | BANK	£100.00	£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 SPACE HIGH RISE	£150.00	-	7%	-
PREMIUM TOWER SPACE MID RISE	£100.00	-	0%	-
SOUTH LONDON				
SOUTHBANK	£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	8%	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

Flexible Office Guide Q1 2026

Data as at end of Q1 2026

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.

	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	£300	£195	£1,175	£575
NORTH OF OXFORD STREET	£300	£215	£1,250	£550
KNIGHTSBRIDGE	£262	£175	£1,250	£625
VICTORIA	£250	£160	£1,075	£475
PADDINGTON	£200	£135	£900	£600
KING'S CROSS | EUSTON	£275	£195	£1,325	£525
CAMDEN	£153	£115	£575	£450
MIDTOWN				
COVENT GARDEN | WC2	£285	£180	£975	£600
MIDTOWN | WC1	£225	£170	£900	£500
CITY				
CITY CORE - LIVERPOOL ST | BANK	£245	£170	£1,075	£475
CLERKENWELL | FARRINGDON	£265	£180	£850	£575
OLD STREET | SHOREDITCH	£200	£100	£800	£400
ALDGATE | WHITECHAPEL	£140	£110	£650	£425
SOUTH LONDON				
SOUTHBANK	£225	£165	£1,025	£525
VAUXHALL | NINE ELMS | BATTERSEA	£165	£95	£675	£425
DOCKLANDS				
CANARY WHARF & QUAYS	£145	£95	£495	£250
EAST LONDON				
STRATFORD	£115	£87	£550	£400
HACKNEY | DALSTON	£106	£80	£450	£350
WEST LONDON				
HAMMERSMITH | OLYMPIA	£131	£100	£625	£375
WHITE CITY	£137	£92	£550	£425



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.

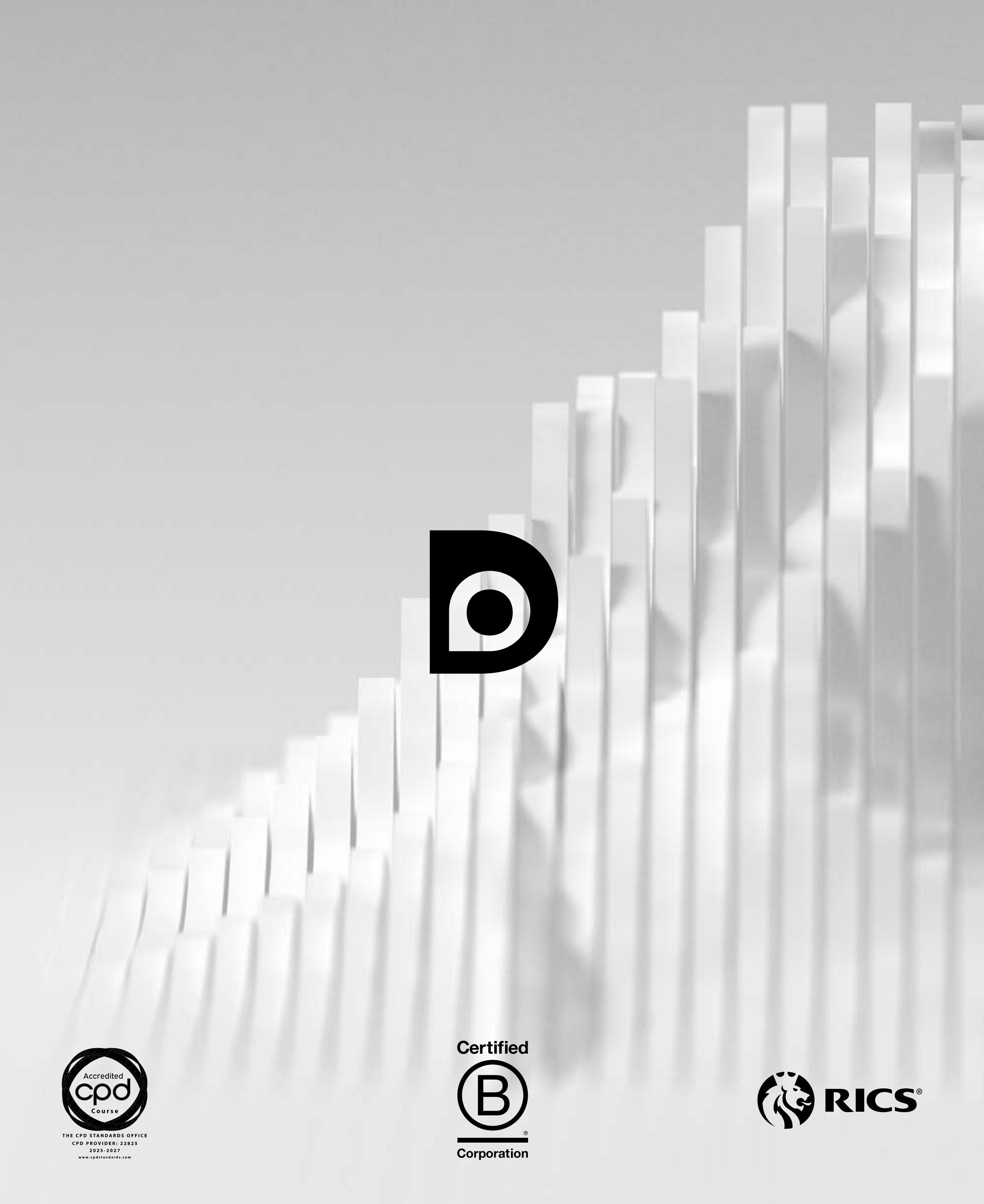
Our Services

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

Contact us

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

Mark James
Insights Lead
E: maj@devono.com
T: 020 7096 9911



Accredited cpd Course
THE CPD STANDARDS OFFICE
CPD PROVIDER: 22825
2025-2027
www.cpdstandards.com

Certified B Corporation

RICS®