Take-up rises with AI occupiers behind two of the largest deals

▲ 2.7m sq ft
Take-up

▼ 19.4m sq ft
Availability

▲ 4.1m sq ft
Under Offer

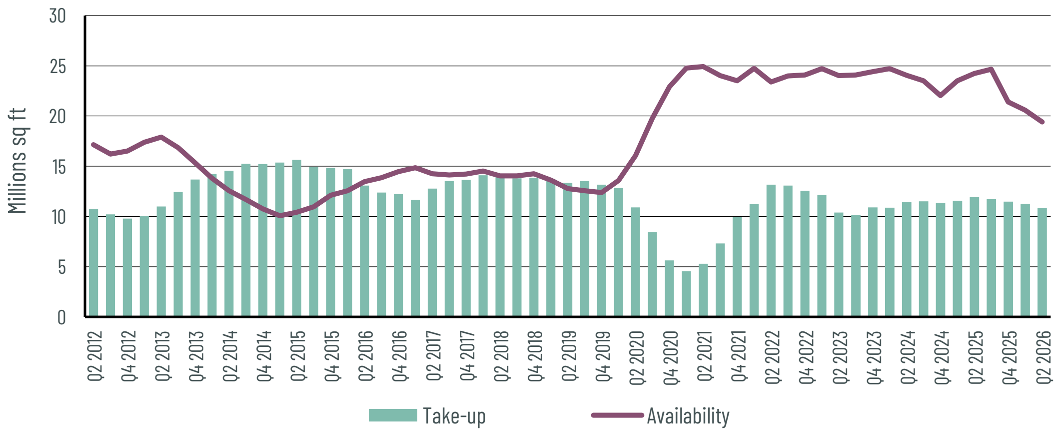
▼ 6.5%
Vacancy Rate

▲ £1.7bn
Investment

Arrows indicate change from previous quarter

- TMT accounted for 27% of take-up, with AI companies behind two of the quarter's four largest deals, even as overall volumes sat 7% below the 10-year average
- Under offers held at 4.1m sq ft, 17% above the 10-year average level
- Availability fell 6% to 19.4m sq ft, back at the 10-year average for the first time since 2022
- Development completions totalled 1.1m sq ft during Q2. The largest new development to complete in Q2 was The M Building, W1, totalling 279,600 sq ft, which was fully pre-let at completion
- At the end of Q2, there was 13.2m sq ft under construction across Central London, including 3.8m sq ft with the earliest possible completion date of Q3 2026. Of the total space under construction, 33% was let or under offer at the end of the quarter
- Investment volumes reached £1.7bn, up 21% on Q1, boosted by a single deal of £750m which accounted for 45% of all activity

FIGURE 1: Central London four-quarter rolling take-up vs availability



Source: CBRE Research, Q2 2026

Take-up

Take-up in Central London reached 2.7m sq ft in Q2 2026, a 19% increase on the previous quarter. Despite the uptick, quarterly activity remained approximately 7% below the 10-year quarterly average of 2.9m sq ft and 14% below the same period in 2025. A total of 249 deals transacted in Q2. Seven transactions exceeded 50,000 sq ft, together accounting for 627,400 sq ft.

TMT sector demand dominated the quarter, responsible for 27% of take-up. Banking and finance followed as the second-most active sector at 26% of total take-up, with business services accounting for 18%.

Two of the four largest deals involved AI companies significantly expanding their London footprint. The largest transaction of the quarter saw Anthropic take 158,500 sq ft of newly completed space at 1 Triton Square, NW1. OpenAI committed to pre-let 95,500 sq ft at Jahn Court, Regent Quarter, N1.

Secondhand space accounted for the largest share of take-up in Q2 at 64% of the total. Newly completed space accounted for 29%, with pre-let activity more limited at 7% – the lowest combined share since 2020.

Availability

At the end of Q2, availability in Central London stood at approximately 19.4m sq ft, a fall of c.6% from the previous quarter. The reduction brings supply back to the 10-year quarterly average for the first time since 2022.

The fall in supply was seen across all space types. Secondhand space, which accounted for 64% of all available stock, declined quarter-on-quarter by 6%. Newly completed space also contracted, down by 9% from the previous quarter, and new early-marketed development space (not yet ready to occupy but expected to be available within 12 months) remained broadly stable (-1%).

All five main Central London submarkets recorded a reduction in availability in Q2. The City and Midtown saw the largest falls, each at 8% quarter-on-quarter. The Docklands and Southbank saw falls of 7% and 6%, respectively. Total supply in the West End remained relatively stable in Q2 (-1%).

The Central London vacancy rate decreased again in Q2, falling to 6.5% (compared to 6.8% at the end of Q1), close to the 10-year quarterly average of 6.4%.

Under Offers

Under offers in Central London held firm in Q2, totalling 4.1m sq ft at the end of the quarter. This represents a marginal increase on Q1 and stands 17% above the 10-year quarterly average of 3.5m sq ft. A strong under-offer pipeline entering the second half of the year supports confidence in near-term take-up levels.

The City accounted for 38% of the total under-offer pipeline at 1.5m sq ft, followed by the West End at 29% (1.2m sq ft) and Docklands at 19% (0.8m sq ft). The largest unit under offer at the end of Q2 was One Eden, 33 Canada Square, E14, in the Docklands, where PwC have agreed to take 358,000 sq ft. Six of the ten largest units under offer at the end of the quarter were at development or newly completed schemes, reflecting the continued preference among larger occupiers for high-quality, purpose-fit space.

FIGURE 2: Central London key deals

Occupier	Sq ft	Market	Address
Anthropic	158,500	West End	1 Triton Square, NW1
JP Morgan	96,100	Docklands	1 Cabot Square, E14
OpenAI	95,500	Midtown	Jahn Court, 34 York Way, Regent Quarter, N1
Natixis Bank	88,500	City	Thames Court, 1 Queenhithe, EC4
United Talent Agency	68,000	West End	One Rathbone Square, W1

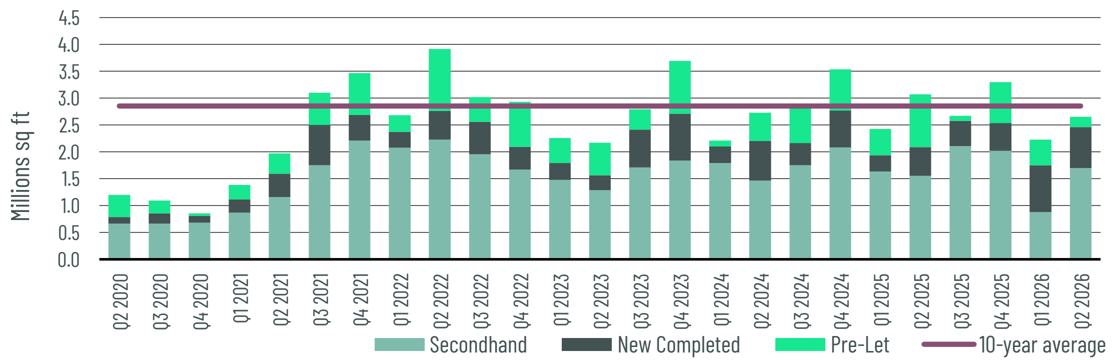
Source: CBRE Research, Q2 2026

FIGURE 3: Central London key under offers

Occupier	Sq ft	Market	Address
PwC	358,000	Docklands	One Eden, 33 Canada Square, E14
Confidential	216,400	City	The Mark, 47/50 Mark Lane, EC3
Confidential	160,600	Midtown	MidCity Place, 71 High Holborn, WC1

Source: CBRE Research, Q2 2026

FIGURE 4: Central London take-up

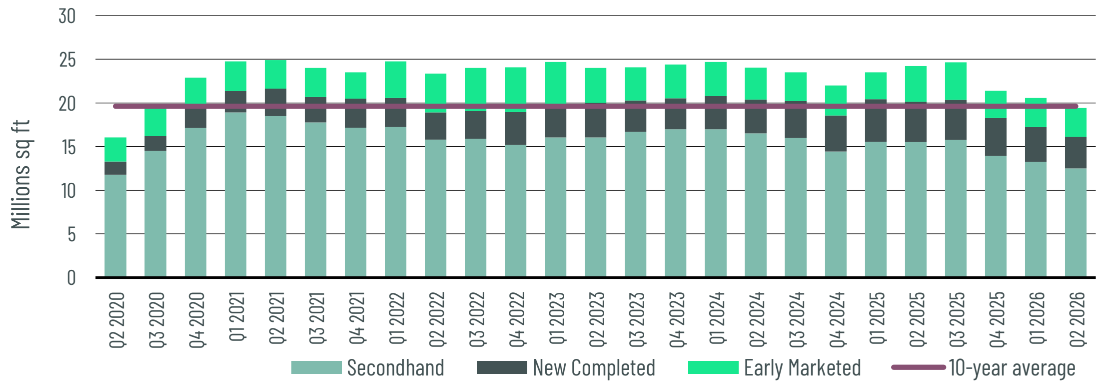


Source: CBRE Research, Q2 2026

FIGURE 6: Central London under offers

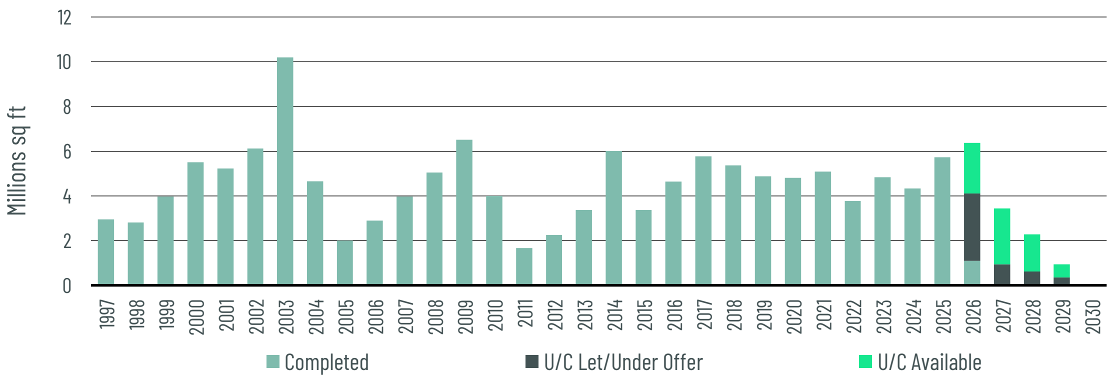
Source: CBRE Research, Q2 2026

FIGURE 5: Central London availability



Source: CBRE Research, Q2 2026

FIGURE 7: Central London development pipeline



Source: CBRE Research, Q2 2026

Investment

Central London investment volumes reached £1.7bn in Q2 2026, up 21% on Q1 and broadly in line with the pace seen through much of 2025. However, investment remained 13% below the level seen in Q2 2025. The rolling 12-month total to Q2 2026 stood at £6.8bn, a modest improvement on the same period last year (£6.5bn).

28 investment transactions completed in Q2. Four exceeded £100m, the largest of which saw Barclays purchase One Churchill Place, E14, from Canary Wharf Group for £750m, a purchase by an owner-occupier. This transaction accounted for 45% of all Q2 investment by value. The West End was the second most active market at £670m, led by Deka Immobilien's acquisition of Stirling Square, St James's, SW1 for £215m.

Domestic buyers accounted for 64% of Q2 volumes (£1.1bn), though the Barclays deal is the primary driver of that figure. Excluding this transaction, the domestic/overseas split would be considerably more balanced. European purchasers were the most active cross-border buyer group at £277m, with German, French, US, and Japanese capital all completing transactions in the quarter.

FIGURE 8: Central London key investment transactions

Address	Capital value (£m)	Market	Purchaser
One Churchill Place, E14	£750m	Docklands	Barclays
Stirling Square, SW1	£215m	West End	Deka Immobilien Investment

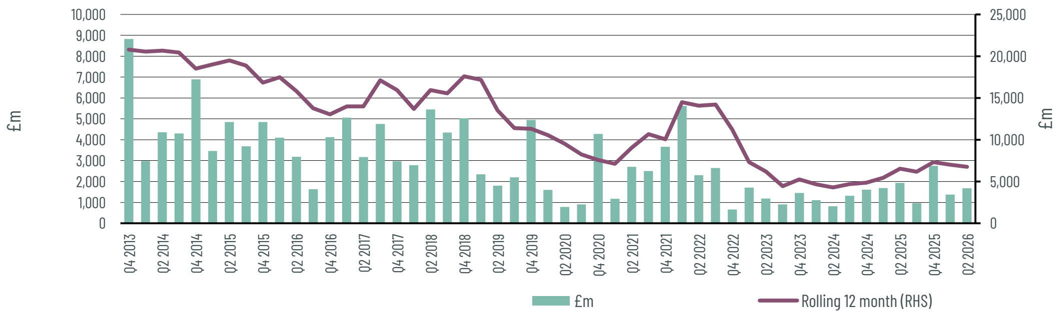
Source: CBRE Research, Q2 2026

FIGURE 9: Central London investment transactions

	Rolling 12 months Q3 2025 - Q2 2026	Rolling 12 months (percentage of total)	2026 Q2	2026 Q1	2025 Q4	2025 Q3	2025 Q2
UK Purchasers	£3,267m	48%	£1,077m	£381m	£1,358m	£451m	£820m
Overseas Purchasers	£3,203m	47%	£577m	£1,004m	£1,290m	£332m	£1,092m
Unknown	£295m	4%	£23m		£99m	£174m	£18m
Total	£6,764m	-	£1,676m	£1,385m	£2,747m	£957m	£1,930m

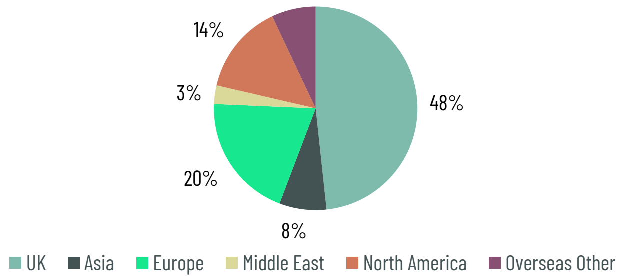
Source: CBRE Research, Q2 2026

FIGURE 10: Key Central London investment transactions



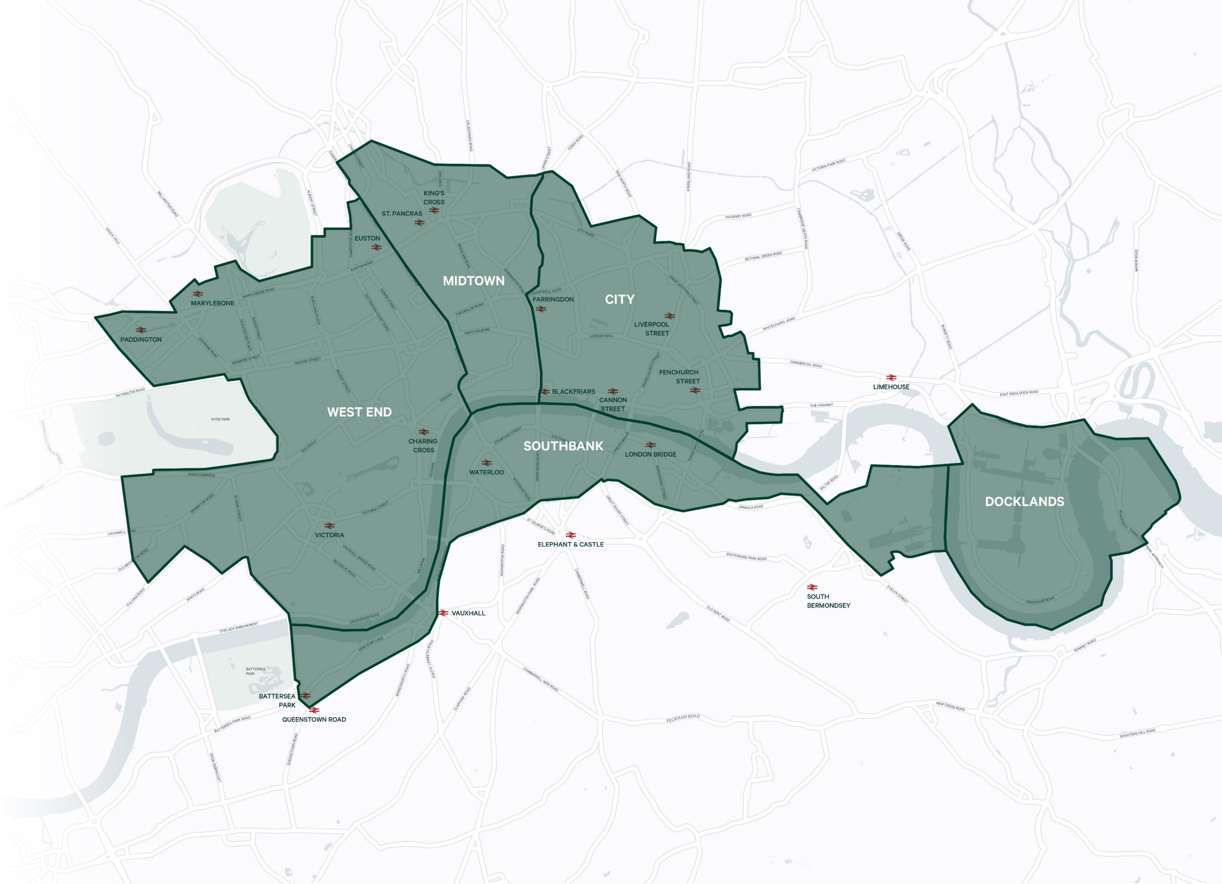
Source: CBRE Research, Q2 2026

FIGURE 11: Central London investment by purchaser, 12 months to Q2 2026



Source: CBRE Research, Q2 2026

Market Area Overview



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