Flight to quality continues as take-up softens

▼ 0.6m sq ft
Take-up

▼ 20.0m sq ft
Availability

▲ 4.1m sq ft
Under Offers

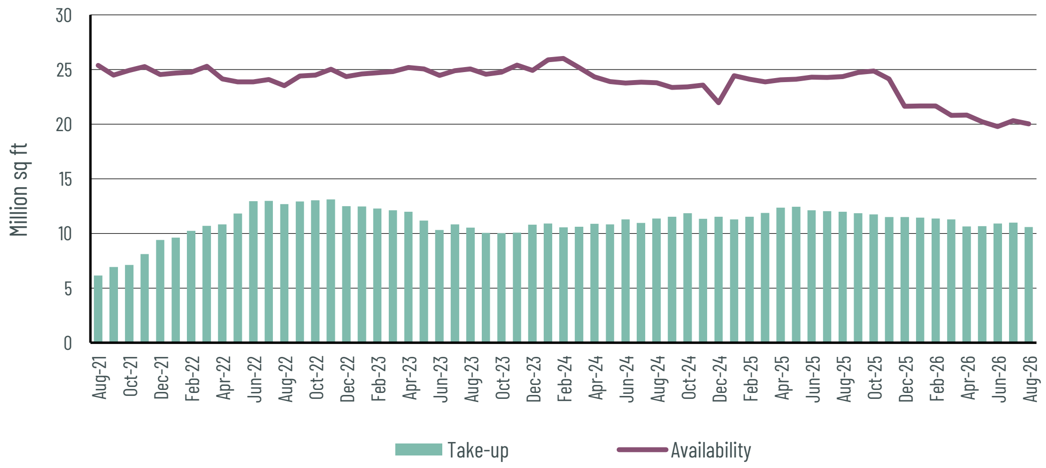
▲ 6.7%
Vacancy Rate

▲ £0.6bn
Investment

Arrows indicate change from previous month

- August take-up totalled 554,200 sq ft across 54 deals, 41% below the 10-year monthly average, with newly completed space making up the majority at 51%
- The City drove the rise in August under offers, increasing for a second consecutive month to 1.8m sq ft
- Secondhand supply was down 19% year-on-year, with half of it concentrated in units below 20,000 sq ft
- Seven new developments and significant refurbishments have completed so far in Q3, bringing the total to 1.7m sq ft. The largest was Platform 37, which is owner-occupied by Google
- A total of 12.0m sq ft of space was under construction at the end of August across Central London, including 2.5m sq ft with an earliest possible completion date in 2026. Of the total space under construction, 28% was let or under offer at the end of the month
- Despite subdued year-to-date investment volumes, rolling 12-month volumes stood at £6.8bn, 4% above the same period last year

FIGURE 1: Central London 12-month rolling take-up vs availability



Source: CBRE Research, August 2026

Take-up

Across Central London take-up totalled 554,200 sq ft in August, down 32% month-on-month and 41% below the long-term average of 941,700 sq ft. All of the main markets saw below average leasing activity in August. The Docklands recorded the strongest month of any market at 176,000 sq ft, a 32% share of Central London take-up, despite only two deals completing. This was driven by the largest deal of the month, which saw Deutsche Bank take 152,800 sq ft at YY London, 30 South Colonnade, E14.

The majority of space taken in August was of newly completed quality (51%), while secondhand space accounted for the remaining 49% of the month's total take-up. No pre-lets completed during the month.

Throughout the month, 54 deals transacted at an average deal size of 10,300 sq ft. Over half (29) of the deals were in the West End. The City saw 16 deals transact in August, with an average size of 10,100 sq ft.

Driven by the Deutsche Bank letting, the banking and finance sector was the most active in August, accounting for 47% of all leasing activity. Business services and the creative industries followed, each accounting for 17% of the total. Banking and finance also remains ahead of the creative industries in the year-to-date, at 26% against 22%.

Availability

Availability fell 1% month-on-month to end August at 20.0m sq ft. The August figure was in line with the long-term monthly average but was 18% below the level recorded a year earlier.

Secondhand supply has fallen 19% year-on-year but remains dominant at 64% of total availability. Units below 20,000 sq ft accounted for 50% of secondhand space, while units of more than 100,000 sq ft accounted for just 5%. New early marketed space (that is not yet ready to occupy but will become so within 12 months) fell 9% to 3.3m sq ft, ending two consecutive months of increases, while newly completed space rose 4% to 4.0m sq ft. The new early marketed and newly completed space account for 17% and 20% of total availability, respectively.

At the end of August, 18 units in Central London offered more than 100,000 sq ft of ready-to-occupy space, 14 of which were newly completed. The largest was 105 Victoria Street, SW1, at 191,900 sq ft.

The Central London vacancy rate increased slightly in August to 6.7%, remaining above the long-term average level (6.5%).

Under Offers

Under offers increased by 2% month-on-month across Central London in August to 4.1m sq ft, and were 16% above the 10-year monthly average. The largest under offers included One Eden, 33 Canada Square, E14 (326,600 sq ft to PwC) and The Mark, 47/50 Mark Lane, EC3 (230,600 sq ft to Lockton). A total of 441,700 sq ft was newly placed under offer in August.

At the end of the month, newly completed and pre-let space accounted for 15% and 32%, respectively. Secondhand space totalled 2.2m sq ft, at 53% it was the largest single component of under offers.

The City saw under offers increase by 6% from the previous month to reach 1.8m sq ft, representing 43% of the Central London total. Southbank also rose, up 33% to 177,000 sq ft, while the West End, Midtown and the Docklands all saw under offers decrease month-on-month.

Of the top ten largest under offers, eight were for new or under construction space, an indication that occupiers continue to demand best-in-class space.

FIGURE 2: Central London key deals

Occupier	Sq ft	Market	Address
Deutsche Bank	152,800	Docklands	YY London, 30 South Colonnade, E14
Techspace	25,700	City	Dials, 20 Finsbury Street, EC2
Baringa Partners	24,200	West End	62 Buckingham Gate, SW1

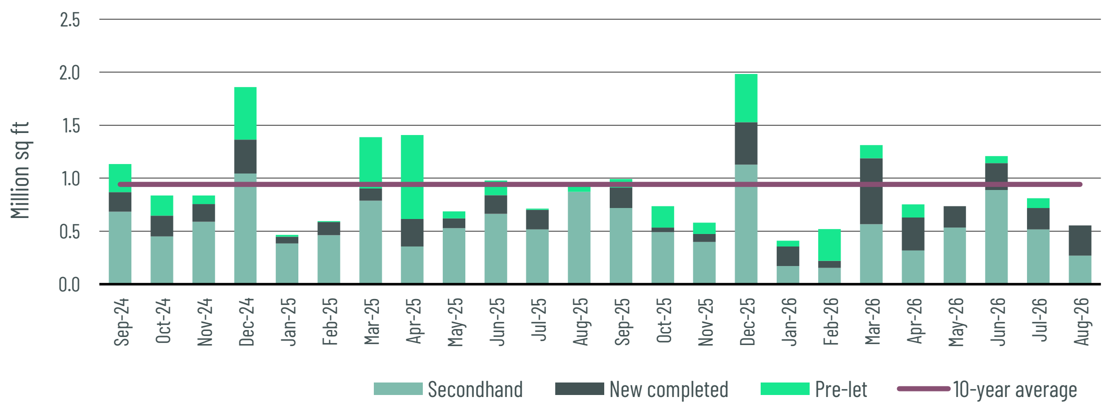
Source: CBRE Research, August 2026

FIGURE 3: Central London key under offers

Occupier	Sq ft	Market	Address
PwC	326,600	Docklands	One Eden, 33 Canada Square, E14
Lockton	230,600	City	The Mark, 47/50 Mark Lane, EC3
Macfarlanes	221,100	City	One St Martin's Le Grand, EC1

Source: CBRE Research, August 2026

FIGURE 4: Central London take-up

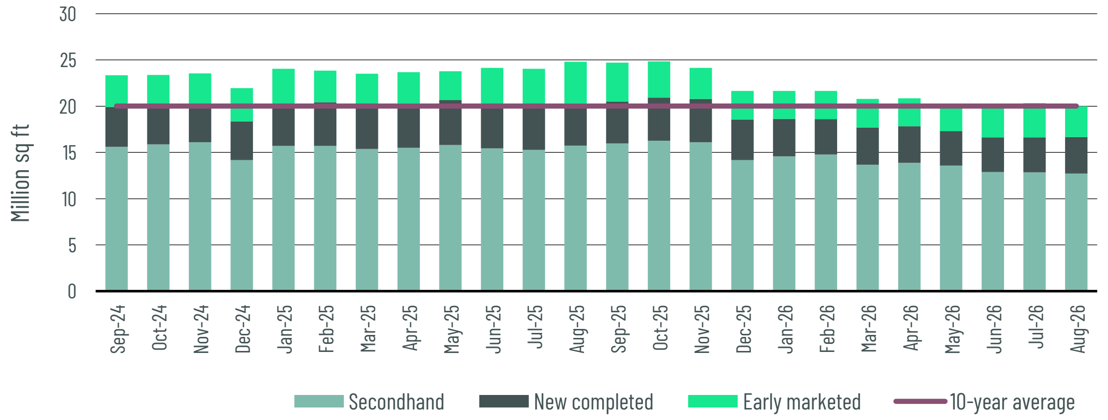


Source: CBRE Research, August 2026

FIGURE 6: Central London under offers

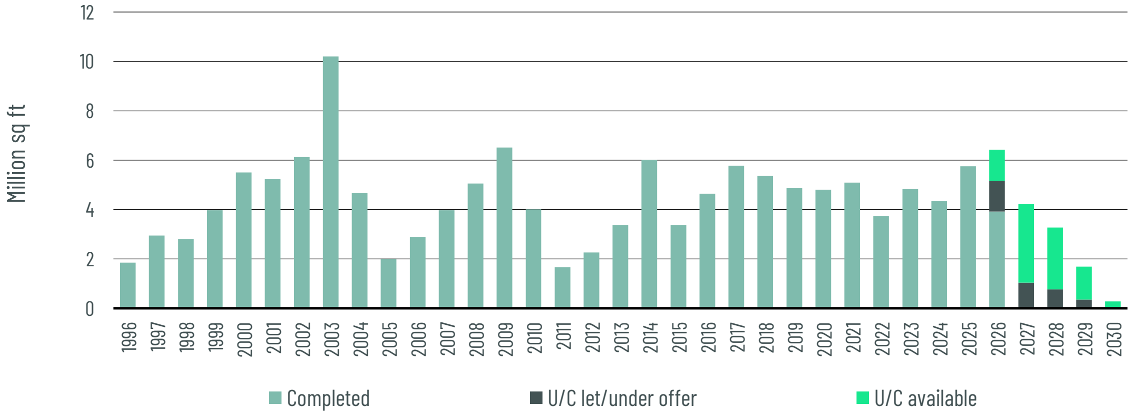
Source: CBRE Research, August 2026

FIGURE 5: Central London availability



Source: CBRE Research, August 2026

FIGURE 7: Central London development pipeline



Source: CBRE Research, August 2026

Investment

Central London investment volumes reached £559m in August, a significant increase on the extremely subdued July 2026 total but 30% below the ten-year monthly average of £0.8bn. The month was heavily skewed by a single transaction, 1 St James's Square, SW1, which accounted for 52% of total volumes. Year-to-date, the Central London office market has recorded £3.8bn of investment, 13% below the figure for the same period last year. In the 12 months to end-August 2026, investment volumes reached £6.8bn, 4% above the total for the same period last year.

A total of seven deals transacted in August, bringing the year-to-date total to 69 deals. One deal over £100m transacted this month, 1 St James's Square, SW1, for £291m, taking the total number of deals over this lot-size to 12 deals for the year-to-date.

Over the last 12 months, overseas investors have been responsible for 49% of total volumes. European and North American buyers remain the most active overseas groups, representing 25% and 13% of total investment volumes.

FIGURE 8: Central London key investment transactions

Address	Capital value	Market	Purchaser
1 St James's Square, SW1	£291m	West End	KKCG
16 Berkeley Street, W1	£82m	West End	Arax

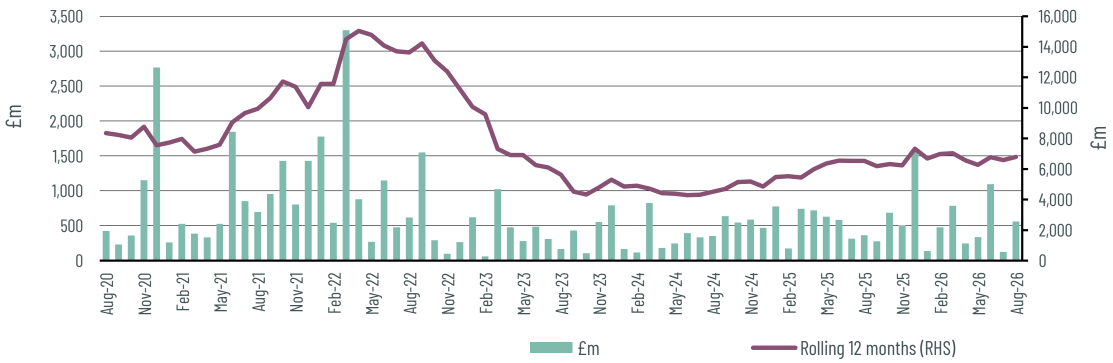
Source: CBRE Research, August 2026

FIGURE 9: Central London investment transactions

	Rolling 12 months 01/09/25 - 31/08/26	Rolling 12 months (% of total)	Aug-26	Jul-26	Jun-26	2026 Q2	2026 Q1	2025 Q4	2025 Q3	2025 Q2
UK Purchasers	£3,142m	46%	£147m	£55m	£838m	£1,077m	£395m	£1,358m	£451m	£820m
Overseas Purchasers	£3,357m	49%	£345m	£70m	£252m	£577m	£1,004m	£1,290m	£332m	£1,092m
Unknown	£285m	4%	£68m	£0m	£5m	£23m	£0m	£99m	£174m	£18m
Total	£6,784m		£559m	£125m	£1,095m	£1,676m	£1,399m	£2,747m	£957m	£1,930m

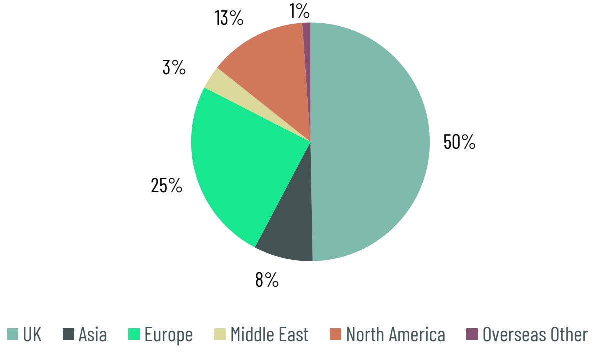
Source: CBRE Research, August 2026

FIGURE 10: Central London investment transactions



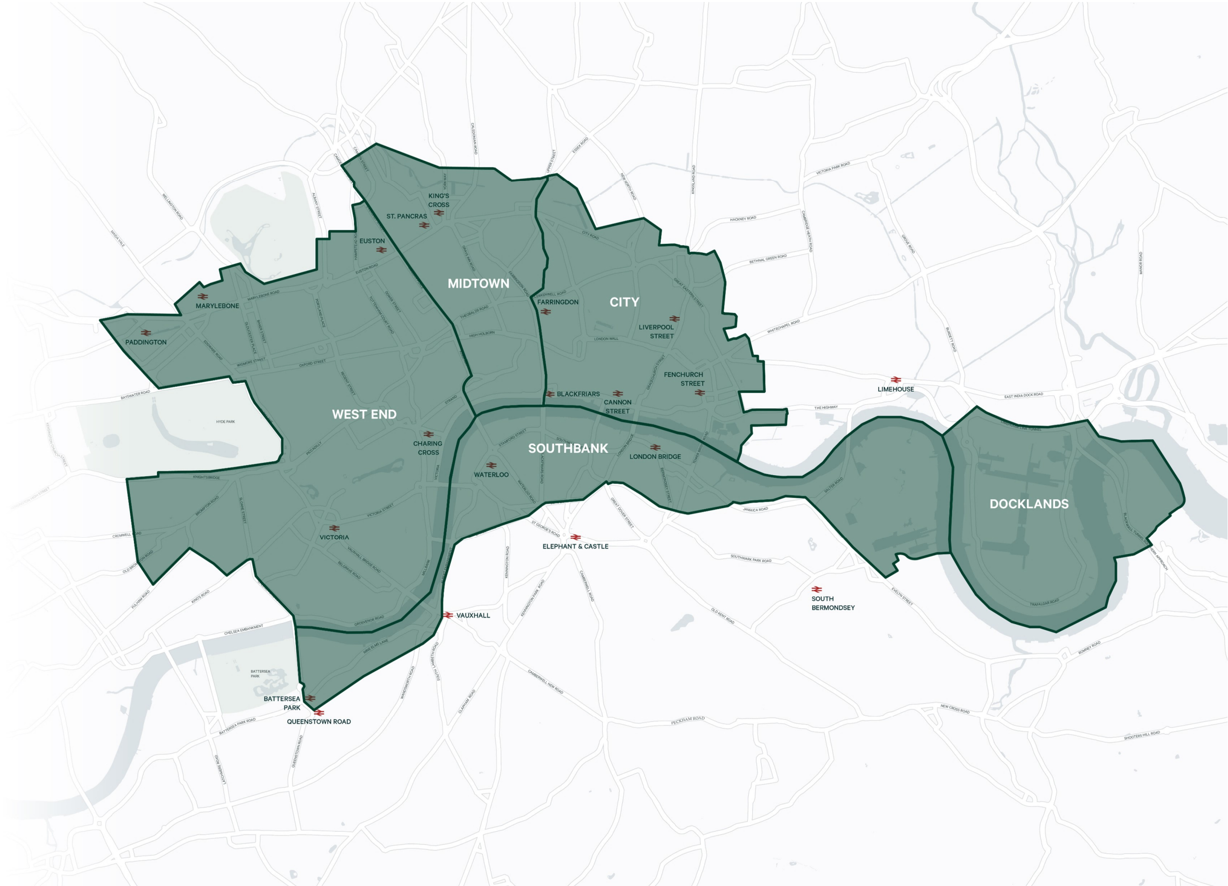
Source: CBRE Research, August 2026

FIGURE 11: Central London investment by purchaser (excl. 'Unknown'), 12 months to August 2026



Source: CBRE Research, August 2026

Market Area Overview



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