

FIGURES | CENTRAL LONDON OFFICES | MAY 2026

# Vacancy rate falls to five-year low



Arrows indicate change from previous month

- The TMT sector has led Central London leasing activity so far this year, accounting for 20% of all take-up, driven by rising demand from AI-related firms.
- Newly completed space under offer stood at 1m sq ft across Central London, running 91% above its long-term trend level.
- The Central London vacancy rate fell to 6.7% in May, its lowest level since Q3 2020.
- 13 developments and significant refurbishments have completed so far this year, totalling 2m sq ft.
- A total of 13.3m sq ft of space was under construction at the end of May across Central London, including 1.9m sq ft with an earliest possible completion date within the second quarter of 2026. Of the total space under construction, 32% was let or under offer at the end of the month.
- Investment activity remained subdued in May, as a total of £211m was deployed into the market. This brought the year-to-date total to £1.8bn.

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



Source: CBRE Research, May 2026

## Take-up

Take-up rose 2% month-on-month in May to 643,800 sq ft, though remained 32% below the long-term average for a second consecutive month. Over two-thirds of activity was for secondhand space, with 31% for newly completed. There was no pre-letting activity in May, though this is not expected to continue given two consecutive monthly increases in new early-marketed space under offer.

The West End led leasing activity at 274,600 sq ft (43% of total), despite a 26% monthly decline. The City accounted for 35% at 222,700 sq ft, up 65% month-on-month.

A total of 43 deals transacted in May, 20 of which were in the West End, and 18 in the City. A total of two deals over 50,000 sq ft completed throughout the month, the largest of which saw JPMorgan take 90,000 sq ft at 1 Cabot Square, E14 in addition to the 148,500 sq ft taken in 2025.

The business services sector took the most space across Central London in May, accounting for 29% of total take-up. The banking & finance sector accounted for a further 26% of take-up throughout the period. However, in the year-to-date, the TMT sector has been the most active, responsible for 20% of all leasing activity, driven by a rise in take-up from AI-related firms.

## Availability

Availability continued to decrease this month, coming down by 2% month-on-month, ending May at 19.9m sq ft. The May figure was broadly in line with the long-term monthly average (+0.3%), pointing towards market normalisation.

Secondhand supply remained dominant at 67% of total availability, though it has fallen 16% year-on-year. Units below 20,000 sq ft accounted for 47% of secondhand space (up from 44% last year), while supply in units over 100,000 sq ft stands at half the level of a year ago.

The supply of newly completed and new early marketed space (that is not yet ready to occupy but will become so within 12 months) decreased month-on-month, totalling 3.6m sq ft (4%) and 3m sq ft (3%), respectively, accounting for 18% and 15% of total availability, respectively.

At the end of May, 18 Central London units offered more than 100,000 sq ft of ready-to-occupy space, ten of which were newly completed. The largest was Broadgate Quarter, EC2, at 227,200 sq ft.

The Central London vacancy rate decreased to 6.7% in May, to the lowest level since Q3 2020 and more in line with the long-term average level (6.4%).

## Under Offers

Under offers increased by 8% month-on-month across Central London in May, driven by an increase in the amount of new early marketed under offer space (22%). This was mostly due to 216,400 sq ft of pre-let space at the Mark, 47/50 Mark Lane, EC3 having gone under offer to Lockton in May. Total under offers were up 18% on the long-term average level, totalling 4.2m sq ft at the end of the month.

Total newly completed space under offer remained elevated compared to its trend level (+91%) at 1m sq ft across Central London. Similarly, the amount of secondhand space under offer was also above its long-term average by 25%, totalling 2.4m sq ft at the end of the month.

Total space under offer increased from the previous month in the City, Midtown, and the Southbank, but decreased in the West End and the Docklands. The City saw the most marked increase (28%), whilst the Southbank and Midtown saw rises of 19% and 12%, respectively. The West End experienced an 8% decline in under offers month-on-month, and the Docklands a 5% decrease in the same period.

Of the top ten largest under offers, seven were for new or under construction space, an indication of the continued occupier preference for the best offices. At the end of May, there were 13 buildings across Central London with more than 50,000 sq ft under offer.

FIGURE 2: Central London key deals

Occupier	Sq ft	Market	Address
JPMorgan	90,000	Docklands	1 Cabot Square, E14
Etc Venues	53,800	West End	One Rathbone Square, W1
Sierra Technologies	41,800	West End	Belvedere South, 151 Buckingham Palace Road, SW1

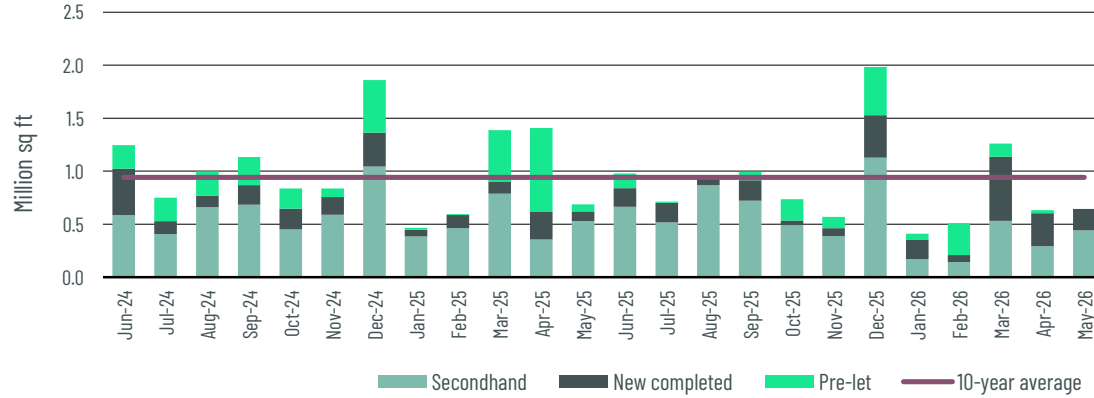
Source: CBRE Research, May 2026

FIGURE 3: Central London key under offers

Occupier	Sq ft	Market	Address
Lockton	216,400	City	The Mark, 47/50 Mark Lane, EC3
Multiple	213,100	Docklands	YY London, 30 South Colonnade, E14
Confidential	160,600	Midtown	MidCity Place, 71 High Holborn, WC1

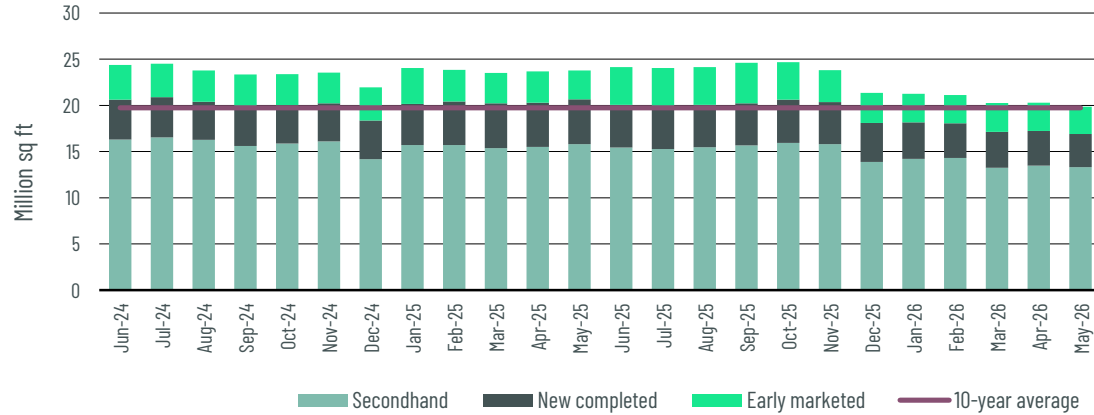
Source: CBRE Research, May 2026

FIGURE 4: Central London take-up



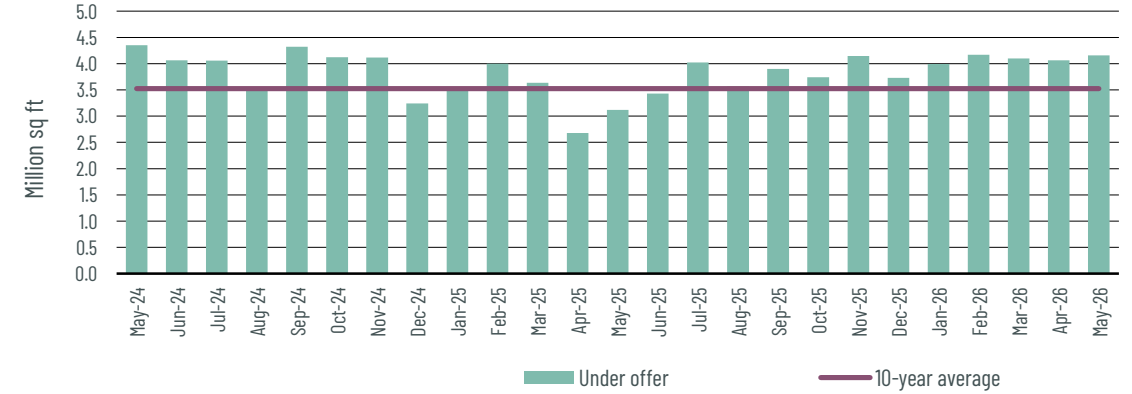
Source: CBRE Research, May 2026

FIGURE 5: Central London availability



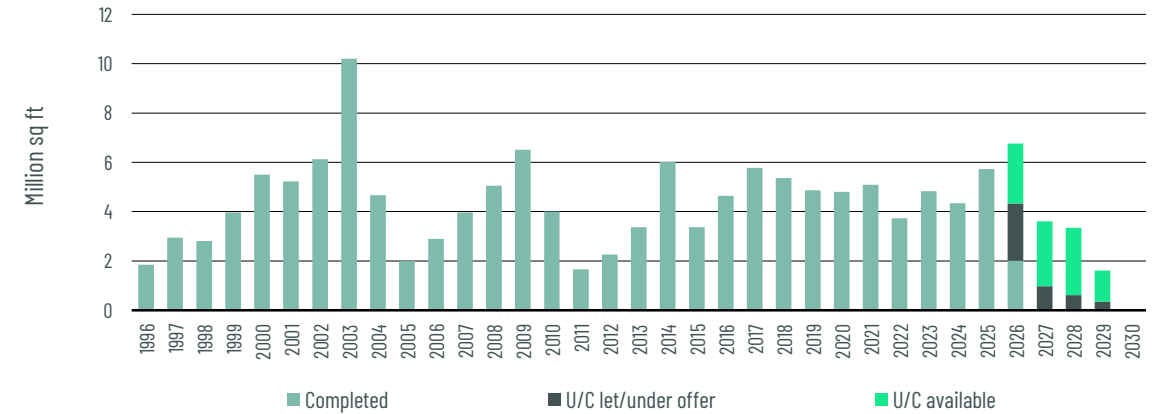
Source: CBRE Research, May 2026

FIGURE 6: Central London under offers



Source: CBRE Research, May 2026

FIGURE 7: Central London development pipeline



Source: CBRE Research, May 2026

## Investment

Central London investment volumes totalled £211m in May, a 4% decrease on the previous month and 75% below the ten-year monthly average of £0.8bn. Year-to-date, the Central London Office market has seen £1.8bn of investment, 41% below the figure for the same period last year. In the 12 months to end-May 2026, investment volumes totalled £6.1bn, 4% below the total for the same period last year.

A total of eight deals transacted in May, bringing the year-to-date total to 39. Eight of those transactions had a lot-size of £100m or larger, just one fewer than the same period last year.

Over the last 12 months overseas investors have accounted for 54% of total volumes, deploying £3.3bn throughout the period. Of the overseas investors, European and North American buyers have been the most active, accounting for 20% and 18% (respectively) of total investment volumes throughout the period.

FIGURE 8: Central London key investment transactions

Address	Capital value	Market	Purchaser
25 Watling Street, EC4	£27m	City	CLI DartRiver
20 Midtown, WC1	£19m	Midtown	Iroko Zen

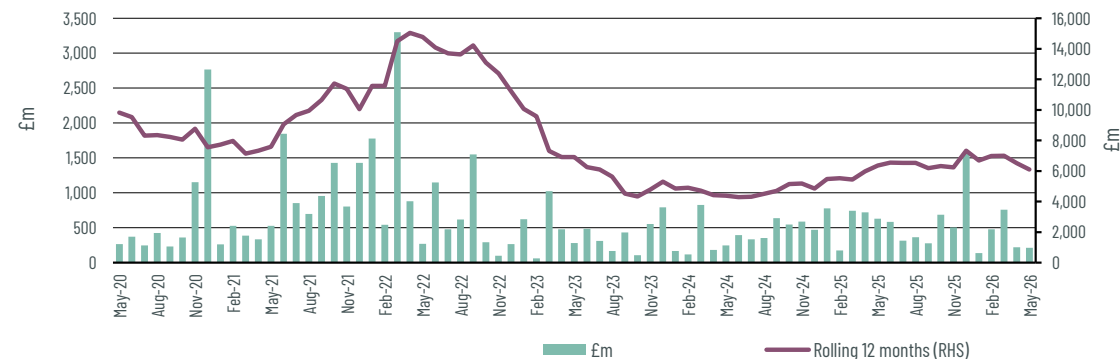
Source: CBRE Research, May 2026

FIGURE 9: Central London investment transactions

	Rolling 12 months 01/06/25 - 31/05/26	Rolling 12 months (% of total)	May-26	Apr-26	Mar-26	2026 Q1	2025 Q4	2025 Q3	2025 Q2	2025 Q1
UK Purchasers	£2,498m	41%	£165m	£0m	£164m	£307m	£1,358m	£451m	£820m	£447m
Overseas Purchasers	£3,300m	54%	£29m	£221m	£591m	£1,062m	£1,290m	£332m	£1,092m	£1,235m
Unknown	£294m	5%	£17m	£0m	£4m	£4m	£99m	£174m	£18m	£9m
Total	£6,091m		£211m	£221m	£759m	£1,373m	£2,747m	£957m	£1,930m	£1,691m

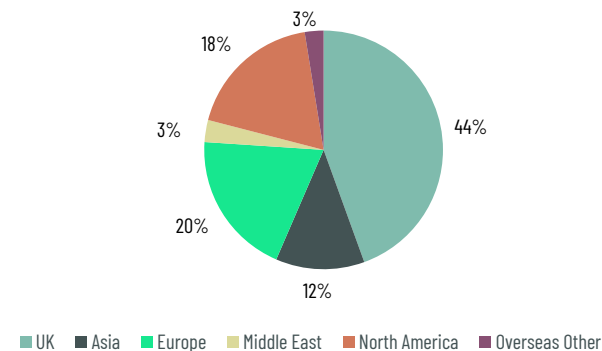
Source: CBRE Research, May 2026

FIGURE 10: Central London investment transactions



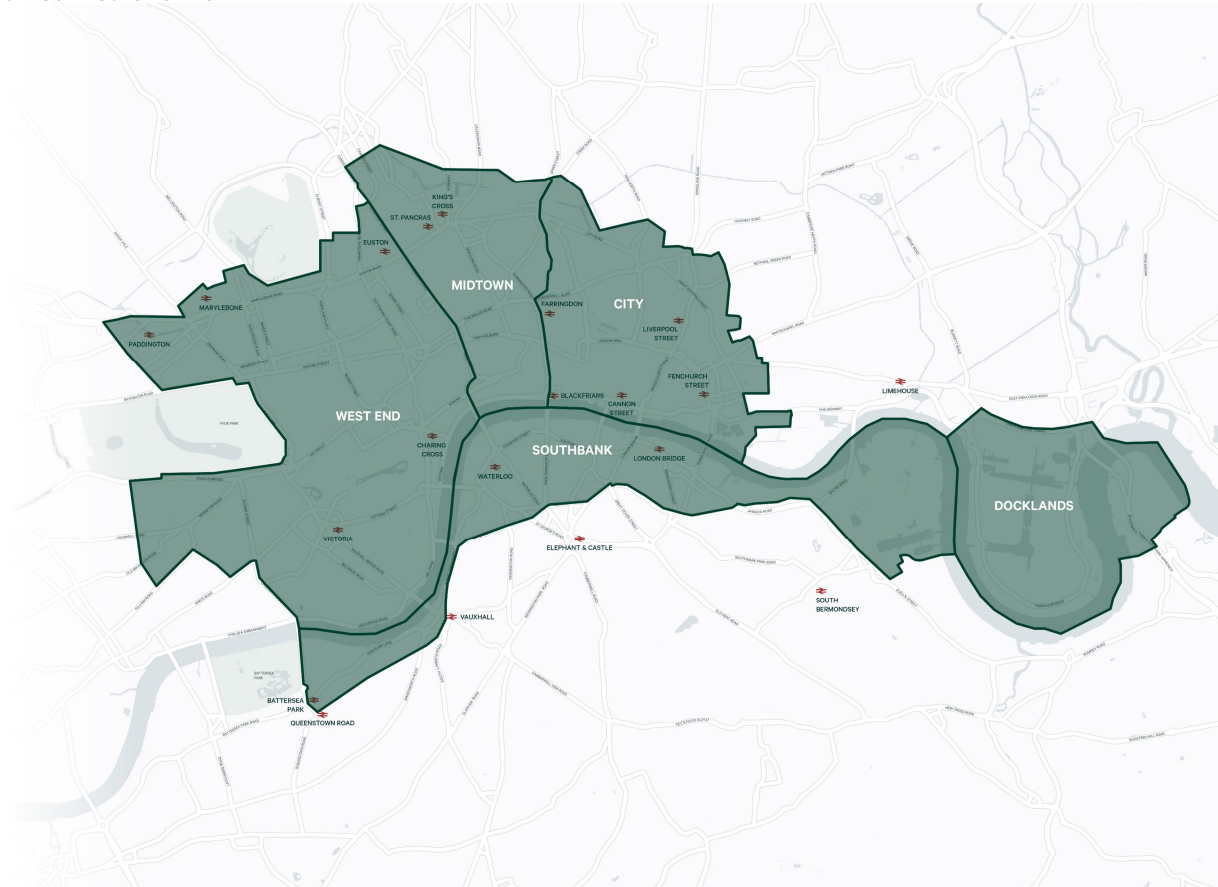
Source: CBRE Research, May 2026

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



Source: CBRE Research, May 2026

## Market Area Overview



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