CBRE

Under offers rise above the five-year average for the first time since 2024

▼ 0.5m
Sq ft Take-up (all unit sizes)

▼ 16.0m
Sq ft Availability

▲ 1.0m
Sq ft Under Offers (all unit sizes)

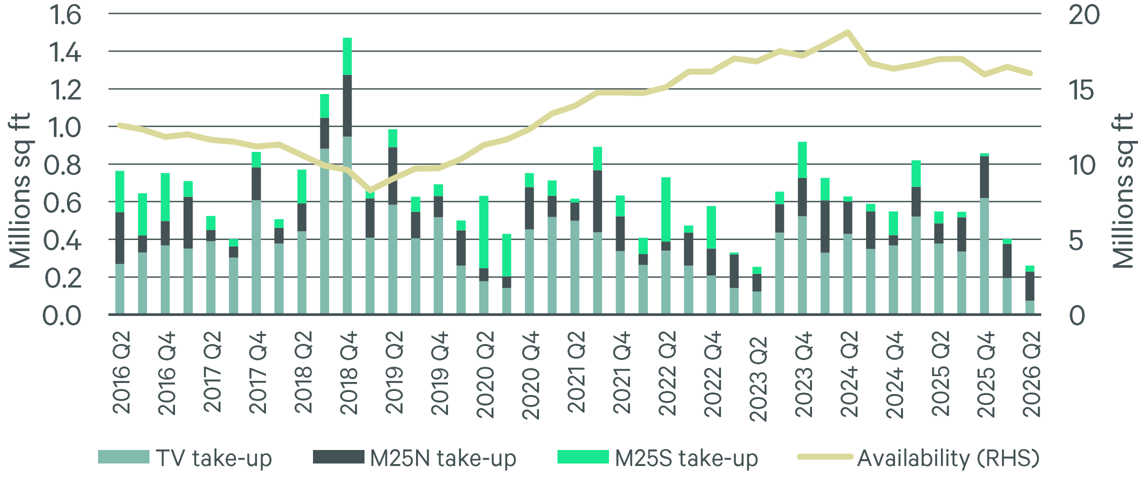
▼ 9.0%
Vacancy Rate

▼ £122m
Investment

Note: Arrows indicate change from previous quarter.

- Take-up for Q2 totalled 260,600 sq ft across the South East (units over 10,000 sq ft). This is a decrease of 56% on the five-year average, and down 35% on the previous quarter
- South East take-up for all unit sizes also fell to 516,300 sq ft, down 18% quarter-on-quarter
- Under offers increased by 31% during Q2 to total 1.0m sq ft (all unit sizes). Most of the space under offer in the South East was in the Thames Valley market (68%)
- Availability decreased by 3% quarter-on-quarter to 16.0m sq ft at the end of Q2 (units over 10,000 sq ft)
- There were four development completions in Q2 2026, totalling 923,700 sq ft of new and extensively refurbished space delivered to the market. The largest development was 522,800 sq ft completing at One Olympia
- There is currently 2.0m sq ft of space under construction or being extensively refurbished across 25 schemes. Of this, 41% is already pre-let
- Investment volumes totalled £122m in Q2, bringing year-to-date volumes to £379m. Volumes fell by 53% quarter-on-quarter and were 31% below the H1 2025 figure

FIGURE 1: South East quarterly take-up vs availability (units above 10,000 sq ft)



Source: CBRE Research

Take-up

Take-up across the South East totalled 260,600 sq ft in Q2 for units above 10,000 sq ft, down 35% on the previous quarter and the weakest Q2 since 2023. Take-up ended the quarter 56% below the five-year quarterly average of 589,700 sq ft and 52% below the Q2 2025 figure of 548,100 sq ft. Despite the quarter-on-quarter fall in take-up, the number of deals over 10,000 sq ft rose to 16, up from 13 in Q1 2026. For the first half of 2026, take-up reached 662,200 sq ft, 52% below H1 2025.

Across the deals larger than 10,000 sq ft, the M25 North market accounted for the largest share of take-up (59%), totalling 154,900 sq ft, a reversal from Q1 when the Thames Valley led. The Thames Valley represented 28% (74,000 sq ft), its lowest quarterly total on record, while M25 South accounted for 12%. Four of the top five deals in the South East were in the M25 North submarket, with the remaining deal in the Thames Valley.

The largest deal of the quarter saw Gilead Sciences acquire 27,500 sq ft of newly completed space at One Granta, Granta Park, Cambridge. Driven by this deal, the manufacturing, industrial and energy sector was the most active in Q2, accounting for 37% of total take-up, followed by the consumer services and leisure sector at 27%.

The majority of take-up comprised of secondhand space (70%). Take-up for newly completed and new early marketed space represented 24% and 7%, respectively.

Availability

South East availability decreased to 16.0m sq ft (-3%) at the end of Q2 for units over 10,000 sq ft. Supply was slightly below the five-year quarterly average of 16.4m sq ft (-2%). The Thames Valley market contributed 60% of total supply, of which 63% was Grade A (6.1m sq ft) and 37% of Grade B/C (3.5m sq ft).

Secondhand space dominated supply at 11.9m sq ft (74%), followed by newly completed and new early marketed supply (supply that is not yet ready to occupy but will become so within 12 months), accounting for 20% and 6% of the total, respectively. The South East vacancy rate decreased to 9.0% at the end of Q2, compared with 9.1% at the end of Q1.

Under Offers

Under offers across the South East market increased over the course of the quarter by 31% to stand at 1.0m sq ft across all unit sizes. As a result of the quarterly increase, under offers rose above the five-year quarterly average of 956,900 sq ft(+8%).

There were four units over 50,000 sq ft under offer at the end of the quarter, up from one in Q1. The largest was 127,000 sq ft at Systems, 43 Brook Green, Hammersmith, followed by 80,900 sq ft at Building 1, Chiswick Park, Chiswick.

More than two-thirds of the space under offer at the end of the quarter was in the Thames Valley market (68%), spread over 51 deals. The M25 North and M25 South markets accounted for 20% and 12% of the total, respectively.

FIGURE 2: South East key deals

Occupier	Sq ft	Market	Address
Gilead Sciences	27,500	M25 North	One Granta, Granta Park, Cambridge
Cineworld	21,500	Thames Valley	54 The Broadway, Ealing
Ralph Lauren	20,500	M25 North	The Clarendon Works, Watford
Döhler GmbH	19,300	M25 North	East 2, Opal Drive, Milton Keynes

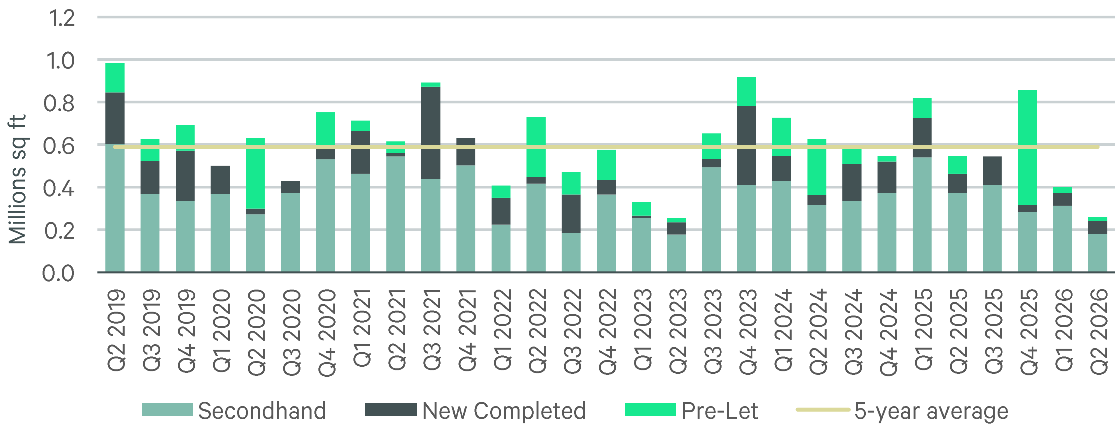
Source: CBRE Research

FIGURE 3: South East key under offers

Sq ft	Market	Address
127,000	Thames Valley	Systems, 43 Brook Green, Hammersmith
80,900	Thames Valley	Building 1, Chiswick Park, Chiswick
73,800	Thames Valley	Market House, Maidenhead

Source: CBRE Research

FIGURE 4: South East take-up (units over 10,000 sq ft)

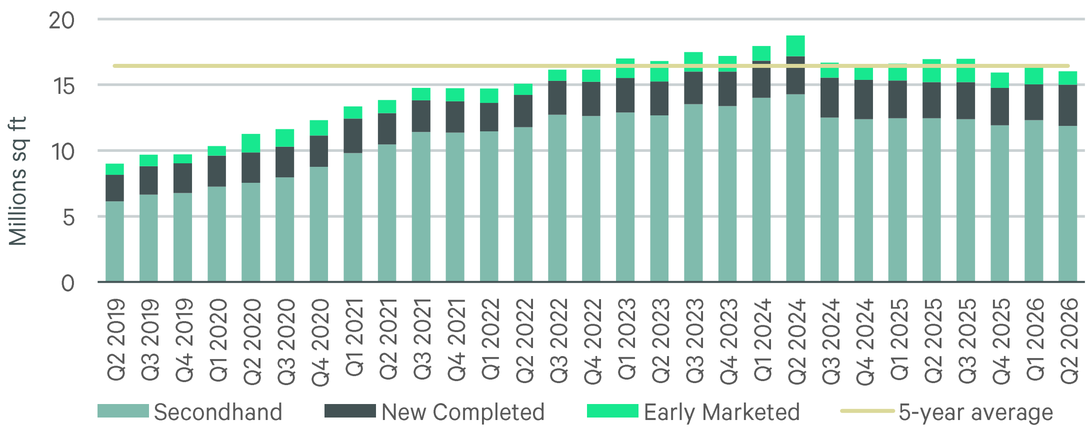


Source: CBRE Research

FIGURE 6: South East under offers (all unit sizes)

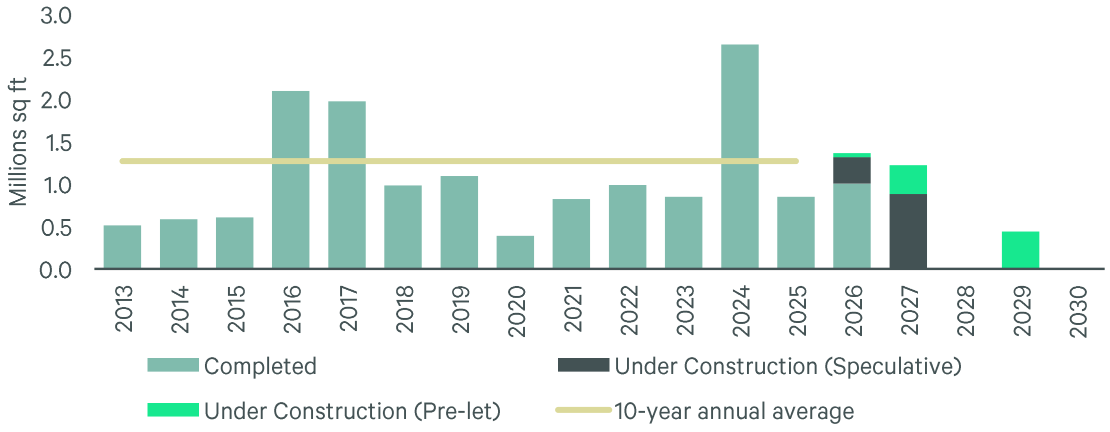
Source: CBRE Research

FIGURE 5: South East availability (units over 10,000 sq ft)



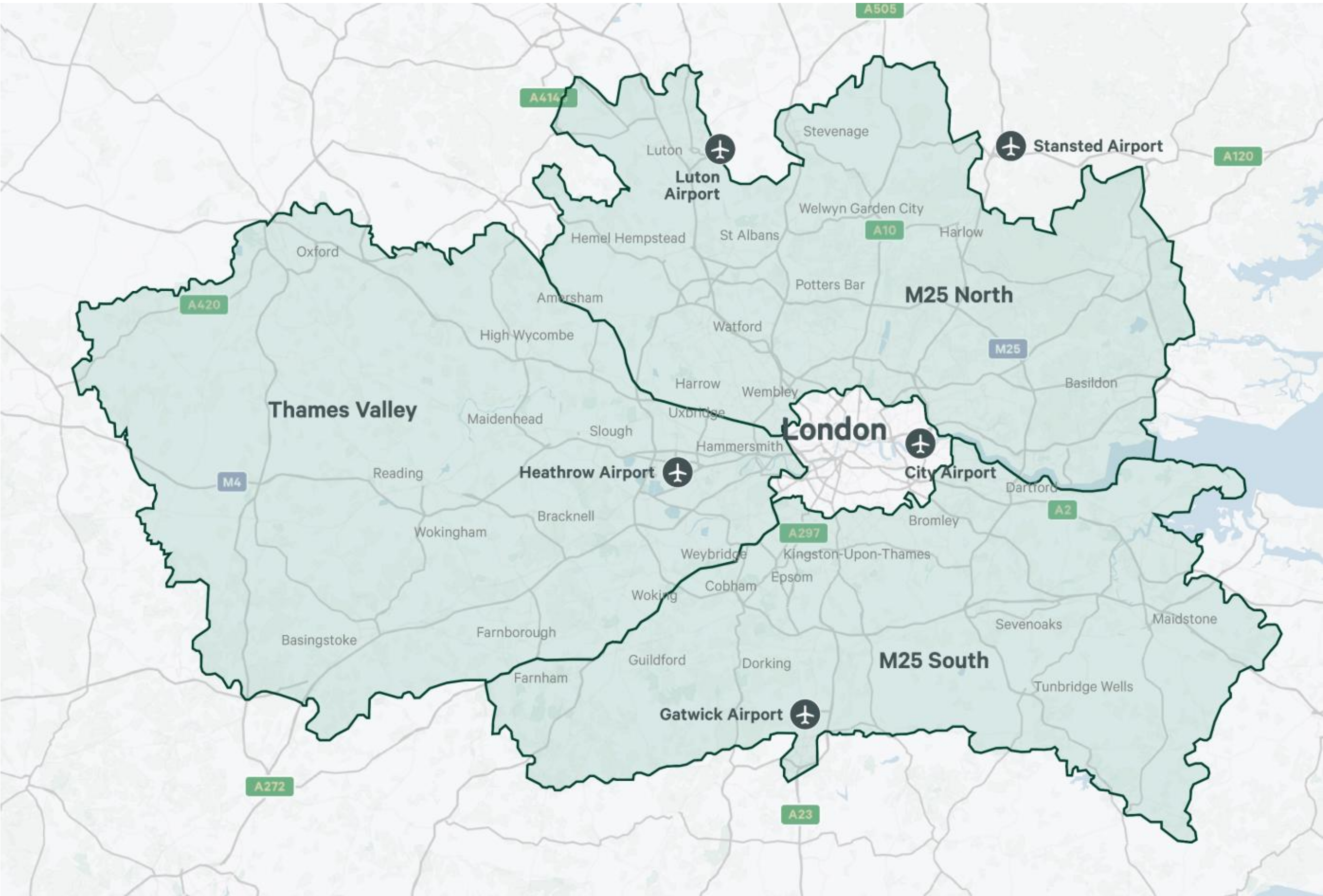
Source: CBRE Research

FIGURE 7: South East development pipeline



Source: CBRE Research

Market Area Overview



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