

As the UK returns to the office, new research suggests only the best space will do in London

4 years ago



A flight to the highest quality offices has never been clearer in London, says [Savills](#) in the week the UK Government lifts working-from-home (“WFH”) guidance.

A new report from the international real estate advisor points to strong demand for London’s very best offices with 90% of take-up in 2021 of Grade A standard. By comparison, Grade A office space accounted for 79% of take-up in London in 2019.

In the City, along with strong activity from the legal sector [Savills](#) reports Apple and William Blair are among six occupiers to commit to 22 Bishopsgate in 2021, London’s newest office tower. T Rowe Price committed to Stanhope’s Warwick Court and Immarsat are relocating to Foster & Partners-designed 50 Finsbury Square. In the West End Facebook committed to 1 Triton Square, The Daily Mail’s parent company DGMT signed a 15-year lease on its current building subject to a comprehensive refurbishment and ITV agreed terms on over 100,000 sq ft of Grade A office space at White City.

Between them [Savills](#) says these offices offer occupiers BREEAM Excellent certification as a minimum, high quality air conditioning and levels of ventilation, smart building technology and the latest high standard of end-of-journey facilities. In most cases access to outside spaces will have been included and ESG credentials will have been thoroughly considered by both the landlords and occupiers.

[Andrew Barnes](#), Central London tenant representation Director at [Savills](#), comments: “There is recognition that the WFH environment throughout the Covid-19 lockdown focused the minds of occupiers in terms of

what they want from the offices and what their staff expect moving forwards. With flexible working likely to be commonplace for many businesses, the office has come to represent a central hub for collaboration and staff interaction and for many this has meant a need to upgrade. The fast evolving requirements to accommodate meaningful carbon reduction targets has also fuelled this surge in upgrading to new or substantially refurbished offices. Activity in Central London in the last 12 months reflects this, with many of the best new offices letting up during construction. The pandemic has also been a catalyst for many staff to consider their job satisfaction and in an employer's market, businesses recognise they need for the best space to compete for the right talent."

[Savills](#) says, looking forward this trend is set to continue evidenced by an all-time high for pre-letting activity on London's future office developments – 34%, in terms of total quantum take-up, compared with the 10-year annual average of 22%.

Andrew continues: "The question is not 'do we need an office?' but rather 'how can we make an office work best for the business and get the most from our staff?'. The market needs to cater for occupiers who want the best in terms of design, sustainability, wellness, connectivity and quality of working environment.

Overall, [Savills](#) figures show office take-up totalled 8.7m sq ft in 2021, up 82% on the previous year and down only 20% on the 10 year pre-Covid average. City Average Prime rent for the year stands at £82.30 psf, up on 2020 by 3.1% (2019 was £80.64 psf). Average Prime rents in the West End for the year stand at £119.90 per sq ft, up from £112.00 per sq ft in 2020.

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