

Central London Office leasing volumes hit 8.5 million sq ft in 2021

3 years ago



[JLL](#) has calculated that over 8.5m sq ft of office space in Central London was transacted across 2021. This figure is considerably ahead of the 4.7m sq ft of space that was leased in 2020, and whilst this is still below the 10-year average take-up of 9.9m sq ft, it does reflect a significant recovery for the London office market.

Research from [JLL](#) has also highlighted that close to £13.3 billion of Central London commercial offices were traded in 2021. This is 45% above the £9.2 billion traded in 2020 and just 12% below the 10-year quarterly average of £15 billion.

[JLL](#) reported that City take up reached 4.4m sq ft by year-end 2021, 79% higher than the amount transacted in the previous year (2.5 million sq ft) but remaining below the 10-year annual average of 5.6 million sq ft. Similarly, City investment volumes continued their recovery in Q4 2021 to reach £2.1 billion traded in 28 transactions. This brought the full annual turnover to £7.0 billion, 82% higher than the amount traded in the previous year (£3.8 billion) but 20% lower than the 10-year annual average of £8.7 billion.

The West End had strong take-up with the full year leasing volumes reaching 3.8 million sq ft, more than double the amount transacted in 2020 (1.8 million sq ft) and 8% higher than the 10-year annual average of 3.5 million sq ft. Similarly, investment volumes reached £5.9 billion, 22% above the £4.8 billion recorded during 2020 and 2% above the 10-year annual average of £5.7 billion.

Julian Sandbach, Head of Central London Office Markets at [JLL](#), said: “Despite a slow start to 2021, because of Covid restrictions, we saw sustained activity across Central London throughout the year and are edging closer to returning to 10-year average volumes. Throughout 2021, and despite the continuance of the

global pandemic, London continued to draw global capital into commercial real estate transactions.”

Jeremy Attfield, Head of City Office at [JLL](#), said: “The City leasing market not only saw a recovery but also a considerable uplift in transactional activity compared to 2020. Occupiers are now focused on aligning their real estate portfolios with their ESG commitments and this will translate into increased demand for the best space to meet their sustainability, health and well-being targets.”

Chris Valentine, Head of Central London Agency at [JLL](#), added: “Whilst take-up rebounded strongly across Central London in 2021, the West End market saw a faster recovery than the City and leasing volumes are set to exceed the 10-year average this year. London’s global importance as an office location, combined with its broad sector mix of occupiers, has underpinned its strong recovery.”

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