

Q1 2022 Sees Significant Uptick in Office Leasing Activity, says CBRE

3 years ago



Take-up of Central London office space for Q1 2022 reached 2.6m sq ft, representing a year-on-year increase of 89% and marking a significant rebound in leasing activity. This is according to the latest figures from global real estate advisor CBRE.

The return to normality was typified by the return of the “churn” market. A total of 1.7m sq ft of deals under 20,000 sq ft signed in Q1 2022 across 351 individual transactions, at least 34% more than transacted in any other quarter since the start of the pandemic. In contrast, there was a relative dearth of large deals, with only three of 50,000 sq ft or larger transacting over the course of the quarter compared with 14 in Q4 2021.

The only deal over 100,000 sq ft in Q1 saw Hogan Lovells pre-let 280,000 sq ft at 21 Holborn Viaduct, EC1, the latest in a line of large acquisitions by law firms. In total since 2020, there have been 12 deals of 50,000 sq ft or larger to law firms in Central London, totaling 1.7m sq ft.

The amount of office space under offer in Central London reached 3.9m sq ft, above the 10-year average of 3.3m sq ft, a trend consistent with each of the last three quarters. There were ten units across Central London which had more than 50,000 sq ft under offer at the end of the quarter, the largest of which was Stanza, EC3, where 528,300 sq ft was under offer to two separate tenants.

Rob Madden, Head of London Office Brokerage, CBRE, said: “As workers continue to return to offices in greater numbers, we are seeing a strong rebound in leasing activity and an uptick in the smaller deals typically seen pre-pandemic. The amount of space under offer has remained above trend, indicating that leasing activity this year is likely to be robust.”