

Central London office market expected to see 10m sq ft of space transacted in 2022

3 years ago



Following sustained levels of leasing activity throughout the year, provisional figures from JLL indicate that take-up for the Central London office market is on track to reach 10m sq ft. This figure is 23% ahead of 2021, and in line with the 10-year average take-up.

JLL's latest research has also highlighted that around 3.1m sq ft of office space is currently under offer across Central London.

JLL reported that the City office market has seen 5.1m sq ft of transactions so far in 2022, which is 35% ahead of the same period of 2021. Over 3.7m sq ft has been transacted across the West End office market to date which is 10% above the corresponding period of 2021 and 5% ahead of the ten-year average.

Research also revealed that pre-lettings continued to dominate, making up 2.7m sq ft of transactions signed across Central London for the year which is 30% of overall leasing volumes.

Looking ahead to 2023, JLL has identified 8.6m sq ft of active demand for new office space across Central London, with the professional services sector making up the largest share of this at 29%, closely followed by the banking and finance sector at 26%.

Chris Valentine, Head of Central London Office Agency at JLL added, "Despite the global headwinds we've faced this year, 2022 has outperformed last year's transactions and these numbers remain on par with the 10-year average. London maintains its global importance as an office location and The West End has seen a continued flight to quality this year, particularly amongst the finance and banking sector who have led the way with their take-up. We begin 2023 with a significant amount of space under offer and sustained demand for quality space. Occupiers remain committed to securing the best-in-class space that aligns with

their long-term business objectives.”

Jeremy Attfield, Head of City Office & Central London Strategy and Growth at JLL added: “Whilst the market fundamentals remain strong Central London will continue to face challenges. Economic uncertainty is expected in H1, and this will likely have an impact on transaction volumes in the short term. In addition, as businesses review their real estate needs, we will see more tenanted release space becoming available which will impact the overall vacancy rate. We expect to see more stability in the second half of the year leading to an uptick in leasing volumes.”

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