

# Record Year For High-Value Office Take-Up Driven By West End Leasing

3 years ago



A record 1.3m sq ft across 110 deals achieved a rent of £100psf or higher in Central London in 2022, while West End office leasing was at its strongest since 2000, according to the latest data from global real estate advisor [CBRE](#).

Across the whole London market, take-up for 2022 totaled 12.3m sq ft, 28% above 2021.

The best quality buildings saw high levels of demand in 2022. Last year, a record 1.3m sq ft across 110 deals achieved a rent of £100psf or higher in Central London. While the vast majority of high value deals were in the West End, 13 deals outside the West End achieved £100psf+ rent. Since CBRE's records began in 1984, the £100psf level has only been breached outside the West End on seven occasions.

West End take-up in 2022 was 4.9m sq ft; the highest annual total since 2000. The West End continues to outperform the other main markets, with Q4 take-up totalling 1.2m sq ft; 19% above average. A 155,000sq ft transaction at the Earnshaw, WC1, led the strong activity.

London take-up has predominantly been driven by the banking and finance sector, accounting for 28% of deals in 2022, followed by the professional sector (17%) and creative industries (17%).

Rob Madden, Executive Director, Head of London Investor Leasing and Occupier Brokerage, CBRE UK, said: "This data shows that there is still appetite for good-quality office space in London's West End, even in the face of strong economic headwinds and the general move towards hybrid working.

"We have seen a number of buildings across the whole London market achieving record rents as occupiers seek the best space to attract their workforce, and, as we head in 2023, we expect demand for the best quality space to remain robust."

Despite a slowdown in Q4, Central London Investment volumes totaled £11.2bn in 2022, 12% higher than

the 2021 total of which 40% was in the West End. A key driver for the level of investment demand in the West End has been the relative strength of the occupational market as investors seek the highest quality buildings.

Ed Bradley, Executive Director, Head of Central London Office Investment Properties, CBRE UK, said:  
“Despite the economic slowdown and 3.25% increase in base rates during 2022, the West End investment market saw £4.5bn of transactions, with Mayfair and St James being among the most active sub-markets.

“In H1, record pricing was achieved in high-profile transactions such as 49 Park Lane, which sold for a 2.85 per cent net initial yield to a South American investor that invested in London for the first time. In H2, as the investment market slowed, the core market remained more resilient than other submarkets and trophy buildings continued to transact, such as Fenwicks on Bond Street to Lazari Investments for over £420m.”