

Office requirements up 12% on long term average – new city office watch from Savills reveals

2 years ago



Requirements for office space in the City and Central London continue to grow in 2023, reports Savills, despite lower levels of take-up against ongoing economic uncertainty.

In its latest City Office Market Watch the real estate advisor says occupiers with an active requirement considering options in the City and Central London has risen to 8.7 million sq ft in March. This has increased 9% from the month previously and is up the long-term average by 12%.

Paul Bennett, Savills director of tenant representation in Central London, says: “Many occupiers are actively looking to improve their real estate, to better the experience of their staff, accommodate new ways of working in the office, and align themselves with important ESG goals.”

Savills reports the attraction to prime office space continues to be a key driver for occupiers, with 92% of take-up this year being of Grade A quality, of which 61% was recently comprehensively refurbished/developed. The focus on sustainable buildings remains a focus for occupiers with over half of Q1 take-up being in buildings with a BREEAM rating of ‘Excellent’ or ‘Outstanding’.

Overall total take-up in March reached 406,524 sq ft across 34 transactions, over double February’s figure. Savills says this brings total take-up for Q1 2023 to 1,092,150 sq ft across 72 transactions. With deals taking ever longer to complete due to ongoing market uncertainty, activity is 23% down on the previous year, the firm reports.