

City office leasing volumes show positive progress during H1

1 year ago



Savills has announced strong office take-up volumes for the City of London, with 2.79m sq ft of office space leased during H1. This marks a significant 10% increase compared to H1 2023, and a notable 19% increase over the five-year average. Savills also confirms that there is over 2m sq ft of office space in the City under offer, surpassing the long-term average by 21%.

In Q2, office take-up amounted to over 1.62m sq ft, which represents a robust 16% increase year-on-year compared to Q2 2023. Moreover, the quarter witnessed a substantial 38% increase over the previous quarter, and a remarkable 37% surge compared to the five-year Q2 average. This reflecting a resilient market amidst evolving economic conditions.

The insurance and financial services sector emerged as a standout performer, contributing 932,000 sq ft to the total take-up for H1. This sector's performance marks the strongest first half since 2010 and accounts for 34% of the total take-up during this period.

Stuart Lawson, a director in Savills' Central London Agency team, stated: "The first half of 2024 has demonstrated positive progress in the City of London's office market, following on from a strong 2023. The substantial increase in both H1 and Q2 take-up volumes, particularly driven by the Insurance and Financial services sector, underscores the strength of demand from key occupiers. It has also rewarded those with the conviction to deliver new schemes, such as 40 Leadenhall and 8 Bishopsgate, where demand has outstripped the space available. With a notable uptick in under offers, we anticipate continued momentum in the coming months."