

## “2024 ends strong for Central London offices”

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[JLL](#)'s latest research has indicated that at the end of 2024 leasing volumes for the Central London office market will surpass 9 million sq ft as deals continued to be agreed in the final weeks of the year.

According to JLL this will represent a 7% increase on the five-year average and a fall of 7% compared to 2023 when take-up reached 9.7 million sq ft.

The last quarter of 2024 has seen robust leasing activity with occupiers taking decisions about their future strategies with greater confidence. 2.4 million sq ft is expected to be transacted in Q4 with notable deals already including Moody's pre-let of circa 110,000 sq ft at 10 Gresham Street and Creative Artist Agency taking 80,000 sq ft of space at 21 Bloomsbury Street.

JLL cited that the transaction pipeline remains strong and expects 2025 to begin with the completion of a number of transactions that are currently being negotiated – 3.4 million sq ft of central London office space is currently under offer. In addition, occupier demand remains high with the amount of space actively being sought by occupiers being 12.8 million sq ft.

Jeremy Attfield, head of City office at JLL, said: “Occupiers have continued to show a strong preference for premium space this year with the majority of transactions comprising pre-let, newly built, or extensively repositioned workspace – many at premium rental levels. Under offers figures and levels of active demand remain strong with over 25 active requirements across Central London for 100,000 plus sq ft. It will be interesting to see which significant transactions convert within H1 2025.

“There will certainly be some ‘stay put’ and regears with many occupiers acquiring additional growth space. Those occupiers who wish to relocate will compete to secure the best space which will lead to

further rental growth especially for the 'super' prime space."

Despite improving sentiment against the backdrop of base rate cuts and stabilising swap rates JLL highlighted that investment volumes across Central London may total £6.4 billion for 2024, slightly below the £6.5 billion that traded in 2023.

Julian Sandbach, head of Central London office markets at JLL, said: "As we look towards the end of 2024 its notable that we are seeing the return of liquidity for £100 million plus assets and the return of institutional capital, especially into the West End. However, the relatively high costs of finance continue to impact the core markets as investors enjoy attractive risk adjusted returns in other asset classes compared to real estate. We look forward to a more controlled inflationary environment and reduced borrowing costs as a result, which will increase activity and volumes. Confidence is drawn from robust leasing markets and a very controlled future development pipeline, which will continue to foster rental growth in London. When yields compress on reducing costs of debt, the combined impact will deliver attractive returns going forward. We expect to see a considered upswing rather than a sudden charge in activity over the first six months of 2025."