

# New CBRE Research Reveals London's Real Estate Landscape is Changing

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**CBRE**, the global real estate advisor, has released new research titled “London’s Future: Driving the Growth of Real Estate,” which meticulously analyses London’s property market, from investment patterns to evolving occupier demands. The findings confirm that while London remains a top global destination, its real estate landscape is undergoing significant diversification.

## Robust Investment and International Influence

London continues to attract substantial capital, underscoring its enduring strength:

- **Investment Scale:** Real estate investment across central London has averaged £18.1 billion per year over the past decade, representing a substantial 32% of all total UK real estate investment.
- **Global Buyers:** The investor base is highly diversified. Since 2016, international buyers from over 50 countries have accounted for 62% of all property sales. Inbound capital primarily originated from Asia, followed by Europe (excluding the UK) and North America.
- **Sector Focus:** The office (69%) and retail (65%) sectors have proven most attractive to overseas purchasers.
- **Economic Impact:** Since 2003, the city has secured nearly 7,700 London-based business activities by nearly 7,000 companies, leading to the creation of over 300,000 jobs, demonstrating the city’s broad competitive appeal.

## The Changing Occupier Landscape

Focusing on the City market, the research highlights a major structural shift in who is taking up space:

- **Erosion of Banking Dominance:** The historic reliance on banking and finance occupiers is significantly reduced. This sector acquired 57% of total space in the 1980s but has dropped to 26% in the 2020s to date.
- **TMT Growth:** This shift is primarily driven by the expansion of the Tech, Media, and Telecommunications (TMT) sectors.
- **New Balance:** While banking and finance companies have taken 6.6 million sq ft of space since 2020, the TMT sector has taken 3.6 million sq ft—equating to just over half (55%) of the finance sector's space-take in the City market.

What does this mean for FM?

The findings suggest FM strategies must evolve from supporting traditional corporate functions to enabling agile, tech-centric, and employee-focused environments to meet the needs of London's diversifying occupier base.