

Office Space Back in Favour as Return to Workplace Drives Commercial Demand

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The latest research by [BPS London](#) has revealed that office space is currently the most in-demand commercial property asset across England, as the continued return to a physical workplace sees offices fall back in favour with British businesses.

BPS London analysed investor demand across the commercial property market, assessing the proportion of available opportunities within each asset class that have already attracted investor interest, alongside further analysis of London's commercial rental landscape and a survey of office workers across the capital.

Office space most in-demand commercial investment

At a national level, office space currently commands the highest level of investor demand of any commercial asset class, with 30.5% of office opportunities across England already sold subject to contract or under offer. Retail follows closely behind at 30.2%, while industrial and warehouse opportunities account for 27.5%. Leisure and hospitality assets continue to attract lower levels of interest, with 16.1% of opportunities having found an investor.

Investor appetite for office space is particularly strong across several regions. The West Midlands tops the table, with 39.0% of office opportunities already attracting investor interest, followed by the South East at 36.6% and the East of England at 33.1%. These figures underline the extent to which the return to a physical workplace is feeding through into renewed confidence in office-led investment across much of the country.

London office demand lagging behind rest of the nation

In London, however, investor appetite for office space currently trails other commercial asset classes. The analysis shows that 21.6% of available office opportunities in the capital have attracted investor interest, with industrial, leisure, and retail all seeing higher demand.

According to BPS London, this divergence is more reflective of oversupply than any continued decline in the office sector itself.

London seeing oversupply of office space

Further analysis of current commercial rental opportunities across the capital shows that offices account for 71.0% of all available commercial rental stock, compared to just 15.3% for industrial and warehouse space – the second highest, highlighting the volume of office providers currently competing for occupier demand despite a strong return to the physical workplace.

54% of London office workers returning full-time

In fact, a survey of London office workers, commissioned by BPS London found that 54% are now expected to attend the office full-time, while a further 36% are predominantly office-based with some degree of remote working retained. Just 7% operate an evenly split hybrid arrangement, while only 3% work mostly remotely with occasional office attendance.

The research also highlights a clear shift in expectations around office quality. When asked which aspects of office space they now value more than before the pandemic, better technology and meeting facilities ranked highest, followed by improved communal and breakout areas and better air quality and ventilation. On-site amenities, increased space and lower desk density, and improved design and aesthetics also featured prominently.

BPS London believes that while demand is returning, the current oversupply in office rental stock highlights that London's commercial office market is still recalibrating following the pandemic. After a prolonged period during which remote working became widespread and large volumes of office space were either underutilised or converted to alternative uses, the capital is now contending with a surplus of space that has not yet been upgraded to meet modern occupier expectations.

Mahir Vachani, Director at BPS London Developments, said: "The pandemic had a profound impact on the commercial office sector, as working from home became the default for many businesses almost overnight. However, what we've seen over the last year in particular is a decisive move back towards office-based working, with the vast majority of employees now either fully or predominantly based in the workplace.

"That renewed occupier demand is clearly feeding through into investor appetite for office space across much of the country. London, however, remains something of an outlier, largely due to the sheer volume of office space currently available to rent, much of which no longer aligns with how businesses and employees want to work today.

"As people return to the office, expectations are higher than ever, not just in terms of professional functionality, but also wellbeing, design, technology and overall experience. While large volumes of office space were repurposed or left behind in the wake of the pandemic, relatively little has been done to comprehensively revitalise the remaining stock.

“At BPS London, our focus is firmly on raising the bar by investing in high-quality, future-proofed office environments that reflect modern working practices. As the market continues to rebalance, we believe that best-in-class office space will be increasingly sought after by both occupiers and investors alike.”

Data Tables and Sources:

- Commercial property demand data sourced from [Rightmove](#), correct as of January 2026.
- Investor demand for commercial property sectors based on the percentage of total listings that have already been sold subject to contract or are under offer within each commercial sub-sector.
- London commercial rental stock data also sourced from Rightmove and based on listings available for each commercial sub-sector as a percentage of total commercial listings available.
- Survey of 807 current London office workers carried out by ProperPR on behalf of BPS London via consumer research platform [Find Out Now](#) (6th January 2026).
- [View full data tables and sources online here.](#)