

Breakfast seminar

West End Investment Seminar

Thursday 4 September | 8:00am – 10:00am

WPA
Westminster Property Association

 **M&G**
Real Estate


NOMURA REAL ESTATE
DEVELOPMENT

CO—RE




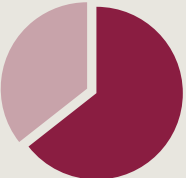


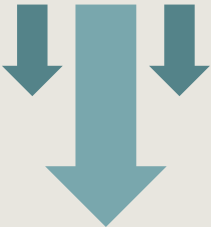



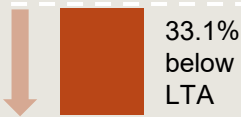
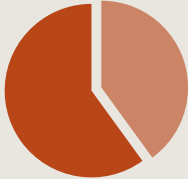




Office Market Update

Strength in Scarcity

WPA Breakfast
September 2025







H1 2025 London Market Highlights

TAKE UP	DEMAND	SUPPLY	RENTS	INVESTMENT	PRIME YIELDS
<p>Take-up in H1 2025 improved and above LTA</p>  <p>8% above LTA</p> <p>6.08M sq ft in London</p> <p>Take-up of new and refurbished space in H1 2025</p>  <p>Accounted for</p> <p>70.3%</p>	 <p>10.0M sq ft in London</p>  <p>Active demand falls slightly but remains</p> <p>above LTA</p>	 <p>Supply shortfall of new and refurbished space 2025-28</p>  <p>10.8M sq ft in London</p> <p>A new vacancy rate of 0.5% in the City Core and 0.3% in the West End Core</p>	<p>Prime rents reaching new benchmarks across London</p>  <p>£182.50 psf in the West End Core</p>  <p>£100.00 psf in City core</p>	<p>Investment turnover in H1 2025 improves but remains below LTA</p>  <p>33.1% below LTA</p> <p>£4.1bn Turnover in London</p> <p>Investment towards core assets in Q1 2025</p>  <p>Accounted for</p> <p>40.3%</p>	<p>Prime yields remain stable</p>  <p>5.25% City prime yield</p>  <p>3.75% West End prime yield</p>

West End Leasing Market

H1 2025 West End Analysis



					
					
<div>1.97m</div> <div>sq ft take up</div> <div>79.3%</div> <div>new + refurbished in Q2</div>	<div>7</div> <div>transactions over 50k</div>	<div>Financial take up leading the way accounting for</div> <div>30%</div>	<div>Kato Requirements circulated Q2 v Q1 = down by</div> <div>20%</div>	<div>940k</div> <div>under offer</div>	<div>1.9m</div> <div>sq ft named active demand</div>

Key West End Leasing Deals



Address: 7 Brook Street, W2

Landlord: Lazari

Tenancy Type: Pre-let

Floorspace: 115,038 sq ft

Grade: New

Occupational growth of 308% & submarket relocation.



Address: Marylebone Place, W1

Landlord: Beltane/Angelo Gordon

Tenancy Type: Pre-let

Floorspace: 75,537 sq ft

Grade: New

Grown from c20k due to M&A activity.



Address: KOVA, WC1

Landlord: Ashby Capital/Native Land

Tenancy Type: Pre-let

Floorspace: 70,559 sq ft

Grade: New

Largest Life Science deal in London for 3 years and 3 x London Life Science take up in 2024.



Address: 30 Duke Street SW1

Landlord: GPE

Tenancy Type: Pre-let

Floorspace: 65,557 sq ft

Grade: New

Significant growth of c.100%.

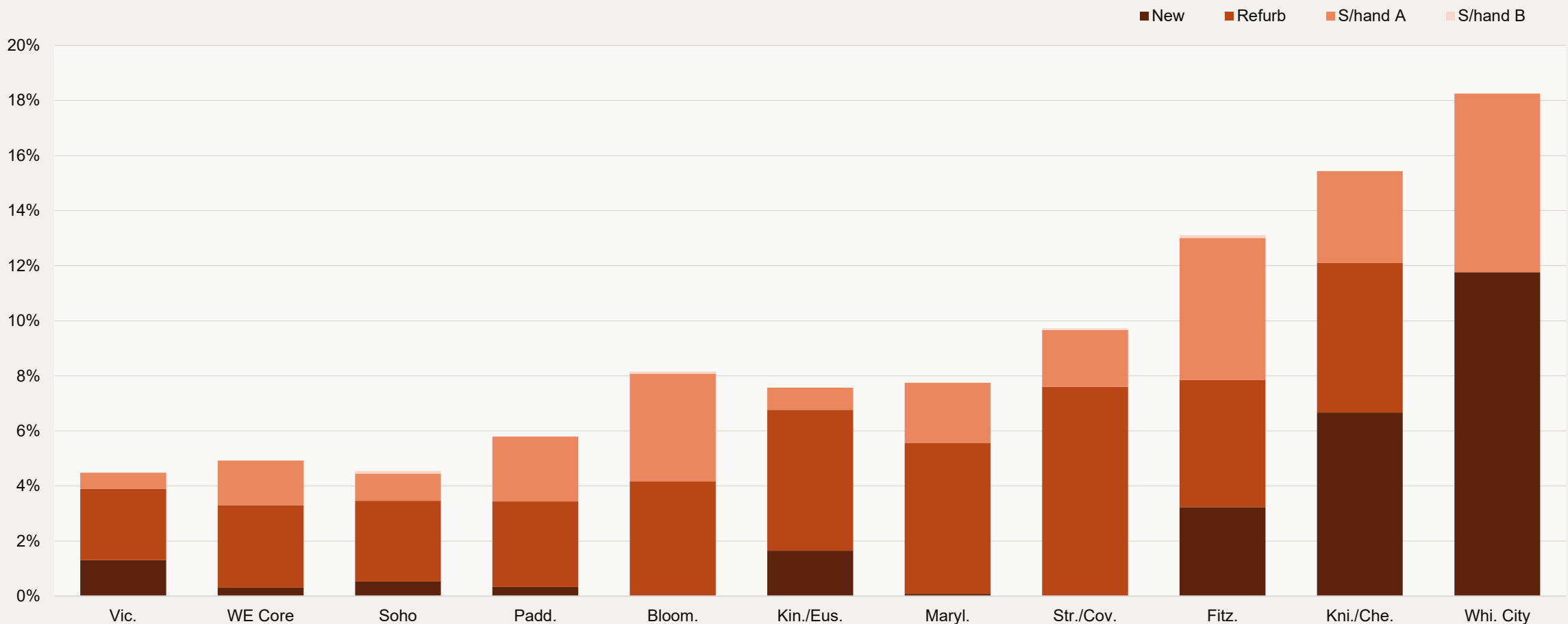


Vacancy Rates in Core Submarkets are Low



West End - Vacancy Rate by Quality and Submarket

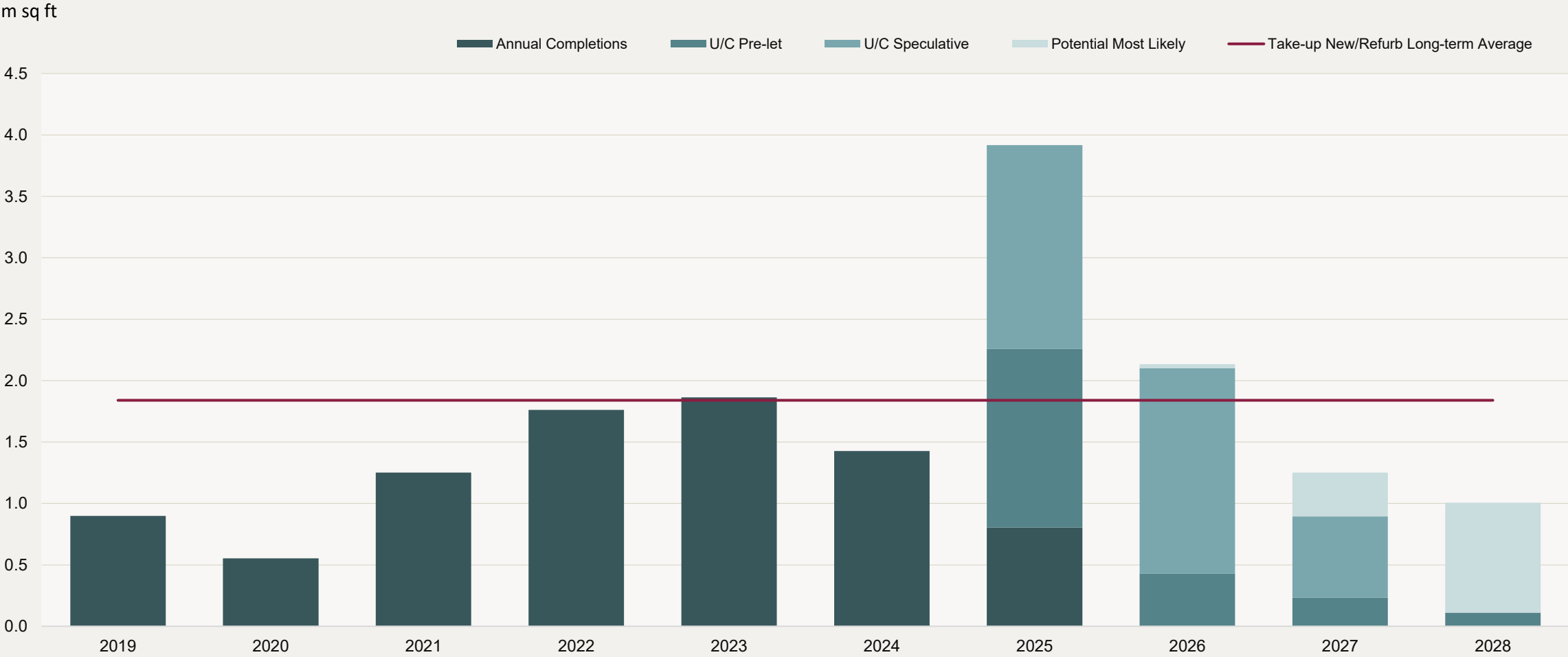
% of stock (LHS), number of available new/refurb buildings



West End Development Pipeline



West End – Development Pipeline

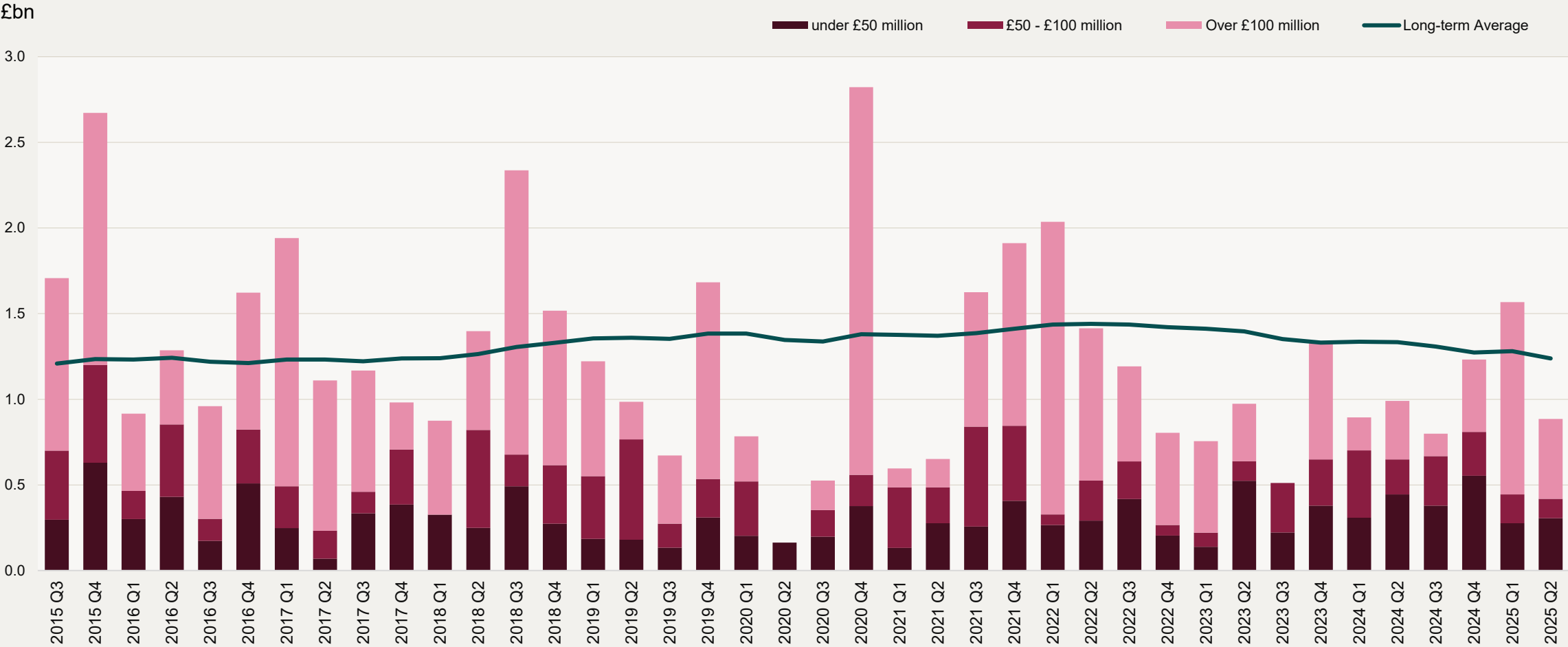


West End Investment Market

Investment Volumes Gradually Increasing



West End – Investment Volumes by Lot Size



Key West End Investment Deals



Address: 20 Manchester Square, W1

Tenure: Long Leasehold

Tenancy: Single Let

WAULT: 15.0 years

Vendor: Invesco

Purchaser: Delancey / Aware Super

Price: £118.1m / 5.20%



Address: 11-12 Hanover Square, W1

Tenure: Freehold

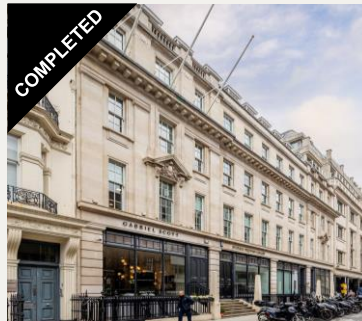
Tenancy: Multi-let

WAULT: 4.30 years

Vendor: Aviva / PSP

Purchaser: Delancey / Aware Super

Price: £170m / 3.85%



Address: 10 Old Burlington Street, W1

Tenure: Long Leasehold

Tenancy: Single Let

WAULT: 15.0 years

Vendor: Global Gate Capital

Purchaser: Angelo Gordon / Beltane Asset Management

Price: £57m / 5.31%



Address: 100 Regent Street, W1

Tenure: Long Leasehold

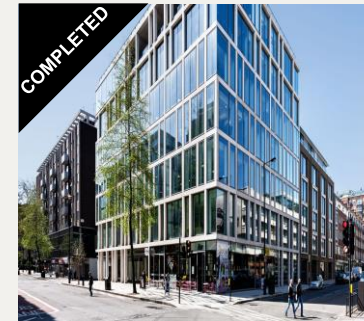
Tenancy: Multi-let

WAULT: 3.3 years

Vendor: Hermes / CPPIB

Purchaser: The Crown Estate

Price: £95m / 6.40%



Address: 11 Baker Street, W1

Tenure: Long Leasehold

Tenancy: Multi-let

WAULT: 1.70 years

Vendor: Patrizia

Purchaser: 3RE / Aermont

Price: £55m / £785 psf



Address: 33 St James's Square, SW1

Tenure: Freehold

Tenancy: Vacant Possession

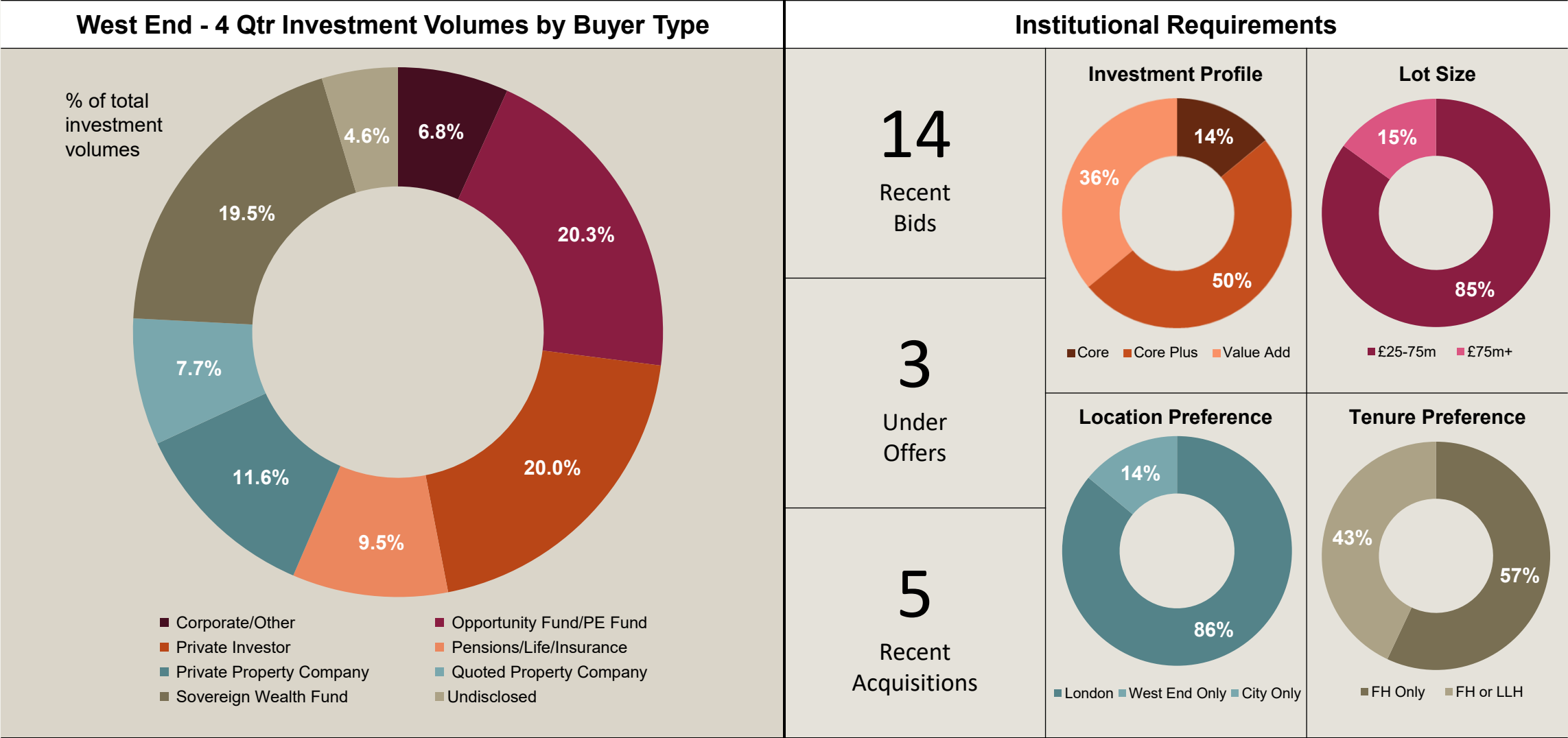
WAULT: N/A

Vendor: Crosstree

Purchaser: TBC

Price: Q: £100m / £2,420 psf

Evolving Buyer Types



Leasing + Investment Themes for H2 2025



**Macro uncertainty will
continue to impact
occupier decision making**



Stay v go



**Increasing sector
diversity**



**Robust rental
growth in the Core
markets**



**Increasingly Varied Buyer
Pool**



**Underwriting
Substantial
Performance**



**Greater Confidence in
£100m Plus**



**More Partnering
Opportunities**

Thank you

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