LONDON BC AND LONDON AD: PROSPECTS FOR THE OFFICE MARKET

(1) Introduction

In March 2020, London's offices fell silent, almost entirely deserted by the thronging workforce that descended upon them every working day up to that point. The streets likewise: all non-essential work and leisure activity brought to a halt by Covid-19. Twenty months on, as we enter 2022, the office economy and the wider London economy, remain at a highly subdued level. As we move, inexorably, towards a second anniversary of 'living with Covid', the question that looms large is: when will the office market recover to its previous beehive-like frenzy of activity? Or for some: will it ever recover?

In this Position Paper we assess the prospects for London's office market. We begin with a recap of the scale and importance of London's office economy before Covid (London BC), before summarising the impact of Covid-19. We then review the nascent recovery that now seems to be taking place, before closing with some thoughts about the future of London after the disruption (London AD).

(2) London BC

Pre-Covid, London's population was heading towards 10m. The economy measured almost six million jobs, of which over 2.5m (42%) were in the office economy. And the office market measured c283m sq ft, or one-third of the national total.

London is a leading global city. An international and highly skilled workforce; global networks of trading links across all sectors; a world-class financial services hub with associated professional services, and flexible labour laws all underpin its economic success. A high quality of life; a rich cultural scene; world-leading universities; political stability; an open legal framework, and the international language of business – English – underscore its wider importance and attraction.

London's role as a global city is recognised in a number of authoritative studies.

> **Hickey *Global Innovation Hubs* (2020)** London ranked second to Boston; the top-ranking hubs being the most well-rounded across innovation and education, talent networks, growth rates, capital raising abilities and investment ecosystems. Berlin and Paris posted 11th and 13th, respectively. [1]
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> **Z-Yen *Global Financial Centres Index* (2021)** Once again, New York ranked number one with London in second place, and Hong Kong and Singapore ranking third and fourth, respectively. The nearest European city is Paris (10th), followed by Frankfurt (14th) and Amsterdam (17th). [2]
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> **Resonance *World's Best Cities* (2021)** This index takes a broader cultural perspective, and ranks London first, with Paris second and New York third. It notes that the "*capital of capitals … continues to reign the planet's best cities for the sixth year running*". [3]

A key signifier of confidence in any city is the level of foreign direct investment that it attracts. On this measure, London has performed consistently well over the past decade and more. Latest official data, for 2020-2021, show that London attracted

492 new FDI projects, with 13,832 new jobs generated. [4] The figure was depressed due to Covid: over the previous six years, London attracted an average of 763 projects and 18,677 new jobs.

The depth and breadth of its offer makes London and the UK the leading global centre for financial and professional services, along with access to a globally connected market, the ability to tap into a deep pool of talent and skills, and strong regulatory and government support. While other major centres lead on some measures, London continues to perform consistently well across all measures. At $77bn, the UK's net financial services exports in 2019 were higher than the combined values of Germany, Hong Kong and Singapore. [5]

London is home to the largest financial service cluster in the world, with nearly 60,000 financial services companies – more than New York and Hong Kong combined. [6] It has long been a knowledge-intensive economy, with 60% of the workforce in knowledge-intensive services and is home to the European headquarters of 40% of the world's top firms.

London's re-invention London's role as a leading global centre for financial and business services is well-understood. But in more recent times, it has quietly adapted and diversified to become a world-leading centre for digital, life science and creative industries.

> **Digital & Tech** London now has Europe's largest concentration of global tech companies, including Amazon, Apple, Facebook, Google and Netflix. There is no other European city that has such breadth and depth. The Global Start-up Ecosystem Report provides a comprehensive global survey of over 300 start-up 'ecosystems'. In the latest rankings, Silicon Valley is ranked 1st, with New York City and London tied in 2nd; Beijing ranked 4th with Boston 5th. [7]
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> Despite the global pandemic, London tech firms raised $10.5bn in 2020 – significantly more than the total amount raised in 2017 ($6.4bn) and 2018 ($5.7bn) and close to the record in 2019 ($10.7bn). London sealed its status as Europe's leading tech hub – with firms there receiving more than a quarter of all European venture capital investment and over three times that of any other European city. [8] The UK tech start-up and scale-up ecosystem is valued at $585bn – 120% more than in 2017, and more than double the next most valuable ecosystem, Germany, at $291bn. [9]
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> **FinTech** Since 2008, London has adapted and grown as, perhaps, <u>the</u> global FinTech capital, with around £6.6bn in annual revenue, and employing around 61,000 people. More people work in UK FinTech than in New York, or in Australia, Hong Kong and Singapore combined. [10]
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> **Life science** London forms part of a wider cluster of life science activity, including Oxford and Cambridge. Combined, the centres create a unique ecosystem which combines leading healthcare suppliers, several world-class universities and research centres, and a plethora of businesses all seeking innovative solutions to vastly complex issues. London has growing clusters in the King's Cross/Euston Road area (including the Francis Crick Institute,

Imperial College, The Alan Turing Institute, University College Hospital, University College London and Wellcome Trust) and White City.

Creative industries The gross value of UK creative industries, which includes TV and Film, increased three times as fast as the wider economy between 2010 and 2018, growing by 57% compared with 17%. 'TV and Film, Video and Radio' was the second largest contributor to GVA in 2018, contributing £20.8bn to the UK economy. UK film production made an increasing global contribution, up from a 14% global share in 2010 to 25% in 2019. [11]

And in London before the Pandemic, the creative industries boosted London's economy by £52bn, with an additional £40bn within the London supply chain – supporting a wide range of other sectors. [12] Further, London employment in the creative industries was growing at four times the rate of other areas of the economy. In total, 267,500 people were working in London's creative industries, with 203,200 in creative supply chain employment – more than in the legal and accounting sectors combined.

So, before Covid, London was doing well: reinventing itself once again and diversifying its global economic offer. But then the music stopped. Almost literally. Offices emptied and economic output shrank dramatically.

(3) March 20: Disruption on an unparalleled scale

Of course, spring 2020 was when we all woke up to the reality of the Covid-19 Pandemic. In April, the UK entered the first of three 'lockdowns' and a prolonged period of social and economic disruption that has yet to play through. To describe the economic impact as 'severe' is inadequate; its sheer scale is shown in Figure 1.

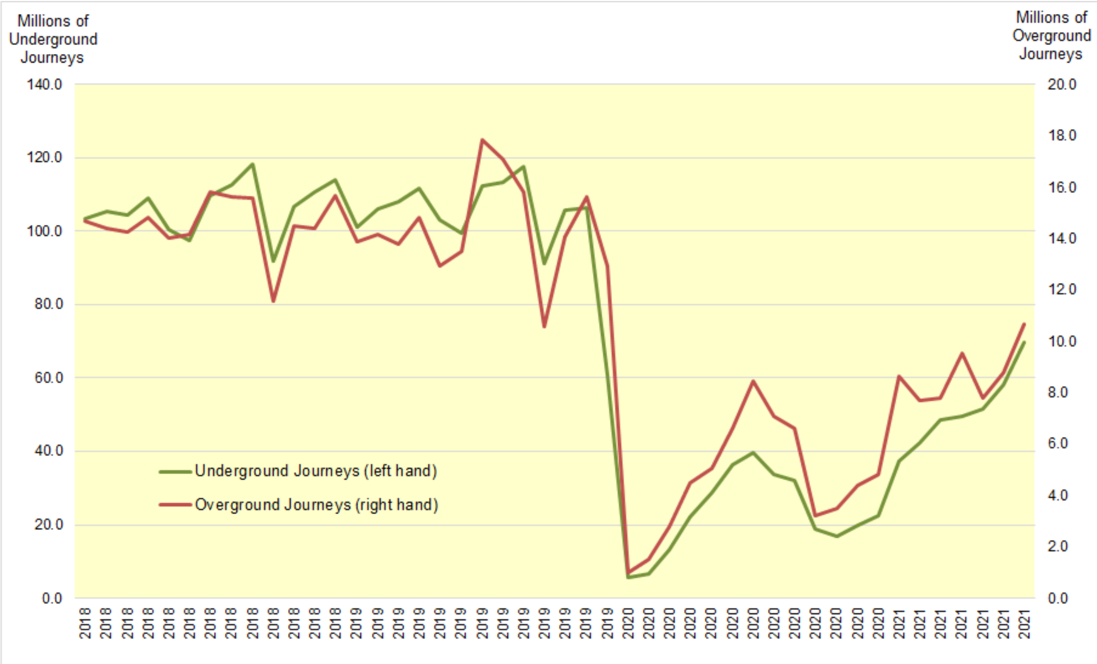
The chart shows precipitous fall in public transport users in spring 2020. For example, during March and April, weekly underground journeys fell from c106m to under six million. [13] In mid-October 2021, weekly passenger volumes reached 70% their pre-Pandemic level.

The number of commuters to Central London had previously risen over the past decade. Transport for London data show that the number of people travelling to a main workplace in Central London from outer London and beyond rose from 1.4m in 2007 to 2.0m in 2019, representing growth of 43% over the period. [14]

Of course, as the economy shut down, so output plummeted. Figure 2 shows national GDP from 2016, falling by a quarter within the space of a month or so in 2020. The data show that, nationally, GDP has almost recovered to its pre-Covid level. [15]

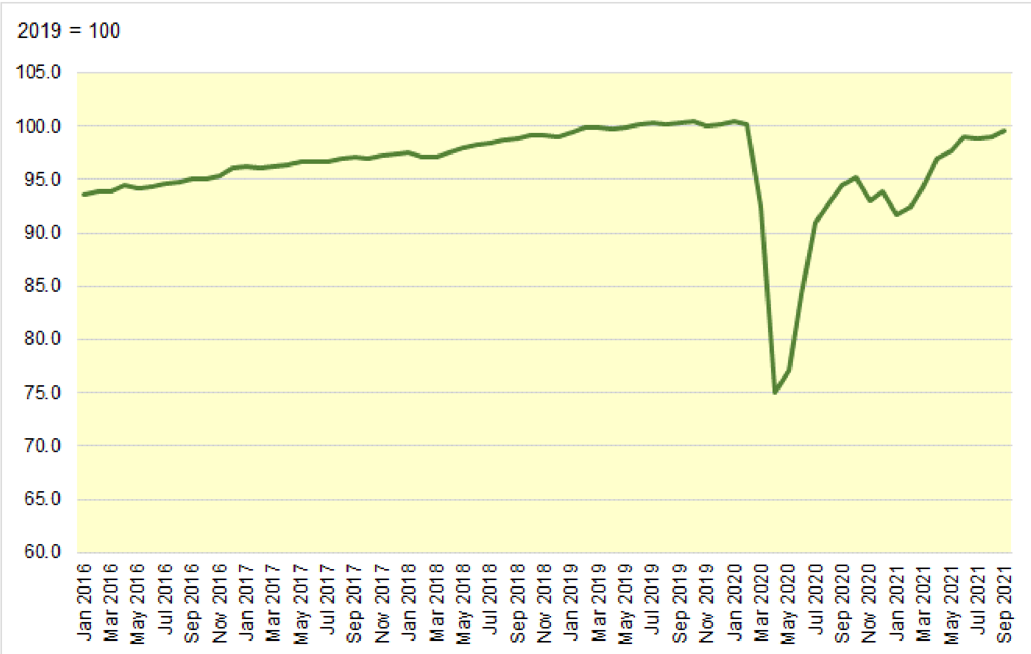
The rapid falls in commuting and working in London offices fed through quickly to the real estate market, as new leasing deals dried up, and decision-making went into deep freeze.

Figure 1 Transport for London journeys, underground and overground rail passengers, 2018 to Sept 2021



Source: Transport for London (2021)

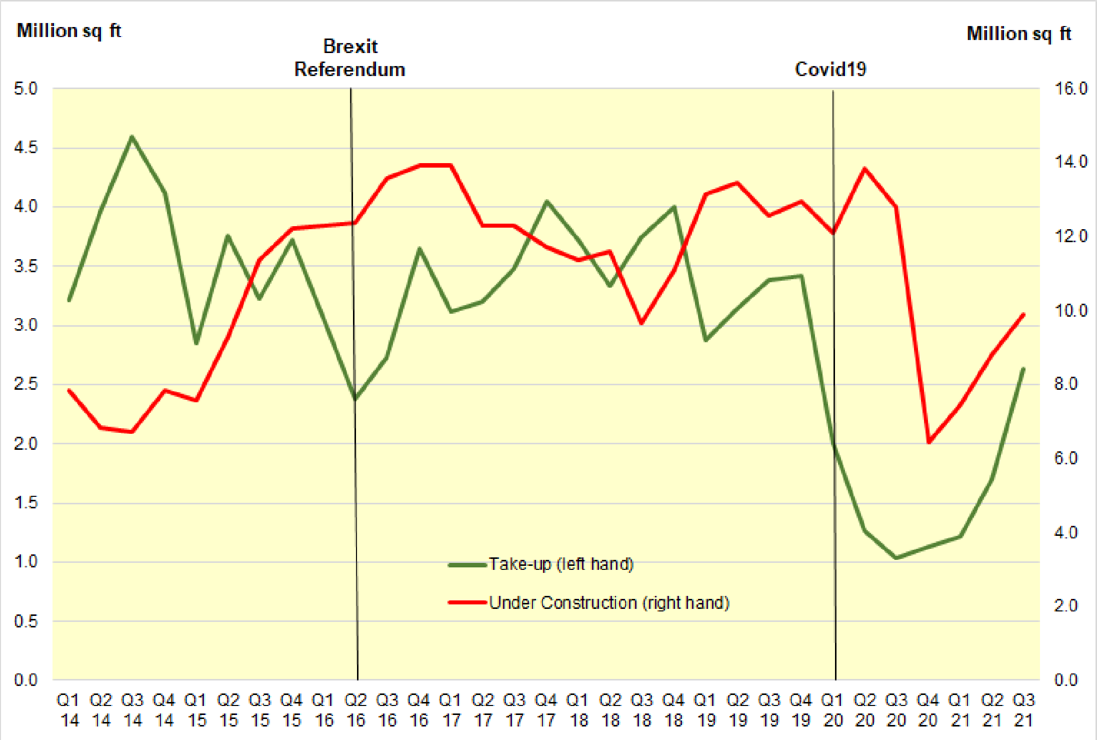
Figure 2 Monthly GDP, United Kingdom, 2016-2021 (Nov 2019 = 100)



Source: ONS (2021)

Property advisor Knight Frank publishes its quarterly *The London Office Market Report*, with extensive data showing supply-demand dynamics. Their take-up and construction data clearly demonstrate the impact of the Pandemic (Figure 3).

Figure 3 Take-up and new construction, Central London, 2014-2021



Source: Knight Frank [16]

Over the six years before Covid, quarterly take-up averaged 3.45m sq ft; since then it has fallen to 1.6m sq ft. Since the trough of 1.0m sq ft in Q3 20, take-up has begun, slowly, to recover, reaching 2.6m sq ft in Q3 21. Construction lagged this profile, but followed broadly the same pattern. The quarterly average under construction since 2014 is 10.94m sq ft, and from reaching a trough of 6.5m sq ft in Q4 20, the Knight Frank data for Q3 21 show 9.9m sq ft.

The obvious question is: how long will it take for current take-up to reach the pre-Covid average? Or even: will historic take-up levels be attainable in the future given evolving workstyles?

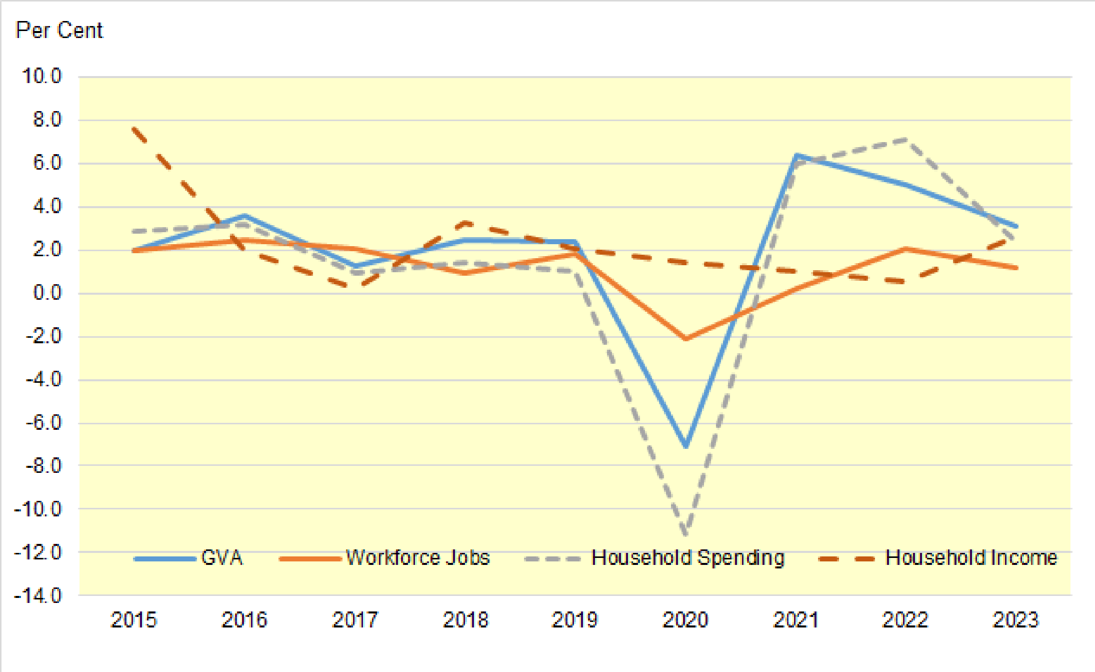
(4) London AD

So, we've been through the economic nadir of the Pandemic; what now? Will the office economy bounce back to 'normal'? Or has there been a structural change in demand-supply dynamics? Will demand for space shrink dramatically?

GLA Economics provide forecasts to 2023 for GVA, jobs, household spending and household income (Figure 4). The data reflect GLAE's central scenario-based forecast. Following a fall of -7.1% in 2020, GVA is expected to grow by 6.4% in 2021, 5.0% in 2022 and a more 'normal' 3.1% in 2023. [17]

According to GLAE's average forecast, Finance & Business Services jobs are expected to fall slightly in 2021 (-0.3%), but then get back on track for growth in 2022 (1.1%) and 2023 (1.4%).

Figure 4 Economic indicators of the London economy



Source: GLAE (2021)

GLAE's forecasts are broadly similar to those of Oxford Economics. Following a fall of -8.0% in 2020, Oxford Economic forecast growth of 5.5% in 2021 and 5.5% in 2022. At a national level, ONS data released early in January showed that GDP grew by 0.9% in November 2021, and is now above its pre-pandemic level for the first time. [18]

Investment According to Dealroom, a website which provides data on finance for start-ups, British companies have raised over $30bn in funding in 2021, more than twice that raised in 2020. British tech companies have raised more finance than any other country in Europe and behind only the US and China. Among the successes are Revolut, a banking app company which is now worth $33bn and Hopin, which organises online events and is now worth $7.8bn.

Also during Covid-19 crisis, industrial giants Royal Dutch Shell and Unilever both announced major corporate restructurings, resulting in them concentrating their operations in London.

Real estate investment trends Investment is a critical indicator of longer term confidence, and there can be little doubt that the domestic and international appetite for investment in London offices has picked up in recent months. London's enduring strengths are playing a role in its early uptick compared to other European capitals.

A key characteristic of investment is that it is 'lumpy'. One quarter period with very little activity can be followed by a bumper quarter with a few very large deals. Having said that, Knight Frank record a long-term quarterly average of £3.73bn for Central London. Since March 2020, the quarterly average has been c£2.3bn; while Q3 21 was approaching the long-term average. Appendix 1 provides an illustrative list of larger deals (over £40m) that have been completed during Covid conditions.

As this Paper was being finalised it was announced that the National Pension Service of Korea was set to buy the City of London headquarters of investment bank UBS at Broadgate for about £1.25bn. If the 700,000 sq ft sale is completed it will be the largest London office deal since before the onset of Covid-19. This news accompanied a widespread expectation that central London office investment in 2021 would reach pre-pandemic levels.

New development While new investment in standing assets with secure, relatively long-term income provides an indicator of confidence, commitments to new speculative development takes this to another level. Securing finance for a lengthy development and construction period and then hoping that the building will fill up with occupiers all present a high level of risk.

Appendix 2 provides a picture of the larger speculative developments that have come forward since spring 2020. While not comprehensive, the chart provides a useful insight into almost 19m sq ft of new development. There are three new schemes of over one million square feet – at Broadgate, Canary Wharf and the new Canada Water scheme in Southwark. Notable in the chart are the burgeoning developments around the fringe of the central area, including the Canada Water scheme, another four in Southwark, and schemes at Waterloo East, the British Library, Hackney and Tower Hamlets.

There have also been two major life science projects announced during the past year. First, the nascent life science cluster in Whitechapel was given impetus with Queen Mary University of London and the Department of Health and Social Care agreeing a deal to enable a 1.0m sq ft campus on Whitechapel Road, E1.

Secondly, Guy's and St Thomas' Charity has formed a JV with developer Stanhope PLC and investor The Baupost Group, for a major development at Royal Street, London, SE1. The 5.5 acre site, situated opposite St Thomas' Hospital, is owned by the Charity, and has capacity for over 1.5m sq ft.

Vacant space Vacancy levels are currently running at 7%-8% in central London. This is a market in balance, allowing for 'frictional' vacancy. A recent story in the *Financial Times* suggested that 18m sq ft of office space has been vacated, across the country, during the pandemic – inferring a causal link between the two. [19] But this is almost entirely wrong. Rather, around 90% of the vacant space is due to the on-going impact of Permitted Development Rights which were altered in 2013 to allow conversion of offices to residential use. And the truth is that most of what has changed use was already obsolete ten years ago. Covid will have an impact; but this is certainly not the evidence for it.

Occupier activity Investors and developers are, inherently, optimistic. Their raison d'etre is to create new space (and value), and so they can look forward from the depths of recession to the next building cycle. A harder test of the strength of a recovery is the level of occupier interest – perhaps more so in the post-Covid period than in previous recoveries.

We examine occupier sentiment and plans further in the final section of this paper. In terms of recent occupier activity, Figure 4 showed how take-up fell precipitously in early-2020, but has begun to recover from a base of 1.0m sq ft of take-up in Q3 20, reaching 2.6m sq ft in Q3 21 – close to the long-term quarterly average.

Appendix 3 shows a selection of the larger (>40,000 sq ft) leasing deals since March 2020. The role of tech businesses is obvious, with deals by Amazon, Apple, Facebook, IBM, Inmarsat, Netflix, TikTok, TransferWise and Twitter. Financial services firms are conspicuously low in number.

Lights, camera, action! One particularly noticeable increase in activity in recent times has been that in the film sector. While not directly part of the office market, studios are a visible sign of London's wider attractiveness to business. Figure 5 shows a selection of new studio projects announced since March 2020 around outer London and the M25 region.

Figure 5 Studio announcements around London since start of the pandemic

Location	Investor/operator	Plans
Winnersh Triangle	Stage Fifty/Frasers Property	200,000 sq ft studio/office; 500 jobs.
Broxbourne, Herts	Sunset Studios	£700m investment; 90 acres; 4,500 jobs.
Shinfield, Berks	Blackhall Studios	£150m investment; 3,000 jobs.
Marlow, Berks	Dido Property	Purchase of 85 acres; 5,000 jobs.
Enfield, London	Netflix	Leased 230,000 sq ft studio.
Longcross, Surrey	Aviva/Netflix	Leased 72 acre studio site.
Enfield, London	Location Collective	Leased 10 acres, 224,000 sq ft studio.
Dagenham, London	Hackman Capital	Leased 500,000 sq ft; 1,200 jobs.
Elstree Studios, Herts	Hertsmere Council	£15.6m for two new studios; 800 jobs.
Park Royal	Garden Studios	Leased 62,000 sq ft new studio.
Shepperton Studios	Netflix	800,000 sq ft extension, Shepperton South.

Netflix already leased more than 435,000 sq ft at the current Shepperton North facility, which totals 560,000 sq ft. At the Pinewood site, Disney had previously pre-let the 100,000 sq ft Pinewood West development, and a further 150,000 sq ft is being built at the Pinewood East site.

(5) London offices prospects

This report has summarised the size and dynamics of the London office market pre-Covid; the disruption caused by the pandemic, and the office market as it is in the early stages of recovery. But, how strong will the rebound be? Will there be a widespread desertion of offices by employers?

What do we know?

There are some things that we know from the data, undisputed.

- GDP has returned to pre-pandemic levels.
- Construction activity is approaching its longer term average.
- Office investment in 2021 exceeded pre-pandemic levels.
- Take-up in 2021 was around the historic average.
- Vacancy rates are running at 7%-8%, which is 'normal'.
- Investment in London tech businesses doubled in 2022 compared to 2021.

These market dynamics suggest a healthy market and a degree of 'normality'. Except, that is, for one further fact that we know: offices remain largely empty.

Workers have not returned (in any great numbers) since March 2020, which raises a number of things that we don't know.

What don't we know?

- Will London resume its role in the top flight of global cities? Or will it slip down the order? Associated to this is the question of whether Brexit has dealt longer term damage to the City of London.
- Will WFH be largely discarded once the health threat recedes, or will it become permanent?
- Will swathes of real estate become surplus to need? Will the widespread adoption of WFH lead to a mass shedding of real estate?
- Or will a flight to quality and a relaxing of densities compensate for fewer numbers at any given time?
- Will the flexible space market fulfil its potential by soaking up demand that would otherwise be signing institutional leases?
- Will wariness of public transport keep staff away, and maybe encourage a longer term deconcentration of jobs?

What can we safely assume?

- Reports of the death of the office are premature. Very premature. There will not be a precipitous fall in demand in London.

- Hybrid working, in some form, is here to stay. The acceleration of pre-pandemic workstyle trends has demonstrated beyond doubt that WFH can be widely adopted. And it will be.
- However, the workplace has a key social function, not to mention areas such as training, mentoring, leadership, corporate ethos and so on. These needs have not disappeared.
- At the same time, it is economically and environmentally unsustainable to leave workplaces empty four days in seven. Managing demand will become a key priority.
- Offices will be *designed* to be attractive to staff. Better air quality, more focus on hygiene and health and wellbeing, and lower desk densities will be just some of the 'new normal'.
- Offices will be *managed* to be attractive to staff; they will work harder, and provide greater value, than being simply a 'place to be'. This will mean a focus on social, meeting and collaboration space, alongside service provision.
- The pre-pandemic shift to 'flex space' will accelerate, shifting the real estate industry from one measured only by capital growth to one measured also by income generation (service provision).

Overview Office work and office occupation have been undergoing almost constant change for the past two decades in response largely to digital technology; but also due to wider pressures including: cost efficiency, sustainability, health and wellbeing, personal choice over workstyles and competition for skilled staff. Economic, business, technological and social pressures have been pushing on the 'knowledge economy', bringing about change in the amount and nature of space required, and workplace design and management. As firms adopt more agile, networked approaches, offices will become 'less generic' and less single purpose, and will have to work harder to provide choice, flexibility and experience.

But to achieve these goals, the supply process will need to evolve. First, the feudal language of 'landlord and tenant' must be consigned to history and replaced with owner/provider and customer. Secondly, from an occupier perspective, the system is costly, fragmented, convoluted and adversarial. It must become a customer-facing, management function. Thirdly, property is now a commodity: something to turn on and off as required. The growth of the flexible space sector is reinforcing this trend and will continue to do so. The real estate industry must become service-led, rather than product-led, with major implications for the design, delivery and management of workspace.

London has led the way in the past; and it is likely to do so again in the period ahead.

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Appendix 1 Selected large investments since March 2020

Address	Square Feet	Price (£)	Investor
30 Fenchurch Street, EC3	550,000	635,000,000	Brookfield Property Part
1-2 New Ludgate, EC4	390,000	552,000,000	Sun Venture
London Wall Place, London Wall, EC2Y	310,000	480,000,000	AGC Equity Partners
1 Braham Street, London, E1 8EN	340,000	468,000,000	Union Investment Real Estate
160-162 Queen Victoria Street, London, EC4V 4ED	380,343	450,000,000	Generali
Nova (North And South), Terminus Place, London SW1V 1JR	569,237	430,000,000	Suntec REIT and ARA Dunedin
25 Cabot Square, London, E14 4QA	481,866	380,000,000	Link REIT
3 Minster Court, London, EC3R 7DD	293,398	353,000,000	ARA Asset Managements Suntec
Atlantic House, 45/51 Holborn Viaduct, London, EC1A 2DY	259,608	265,000,000	CBRE GI
Athene Place, Shoe Lane, London, EC4A 3BQ	158,000	255,000,000	Consortium led by Wing Tai
1 St James's Square, London, SW1Y 4JX	103,655	250,100,000	Private Individual
White City Place, White City, London, W12 7FQ	929,894	250,000,000	Cadillac Fairview
8 St James's Square, London, SW1Y 4JU	65,000	223,000,000	Deka
Milton Gate, Chiswell Street, London, EC1Y 9PB	201,662	216,000,000	Brookfield Property Part
250 Euston Road, London, NW1 2PJ	165,900	189,900,000	Derwent London
160 Old Street, London, EC1V 9HQ	166,300	181,500,000	JP Morgan Global Alternatives
One Embassy Gardens, Nine Elms Road, London, SW8 5NQ	159,110	177,445,000	Kennedy Wilson UK Limited
7 Clarges Street, London, W1J 8AE	65,083	177,000,000	Deka
8-10 Moorgate, London, EC2R 6DA	137,003	170,000,000	Deka
Ludgate London, 55-61 Ludgate Hill, London, EC4M 7JH	108,670	140,000,000	Union Investment
Friars Bridge Court, 41-45 Blackfriars Road, London, SE1 8NZ	94,021	135,000,000	Aberdeen Standard Investments
20 Farringdon Street, London, EC4A 4AB	90,432	131,000,000	Tenacity Group
Capital House, King William Street, London, EC4N 7BL	125,590	130,500,000	Barings Core Fund Capital House
160 Blackfriars Road, London, SE1 8EZ	106,000	125,000,000	Maya Capital & AnaCap Financial
20 Farringdon Street, London, EC4A 4EN	85,112	120,000,000	Tenacity Group
90 Fetter Lane, London, EC4A 1JP	77,564	118,000,000	Deka
Endeavour House, 179 Shaftesbury Avenue, London, WC2 8JR	92,297	115,000,000	K&K Property Holdings
1 St John's Lane, Islington, London, EC1M 4BL	89,033	113,000,000	Royal London
Fleet Place House, 2 Fleet Place, London, EC4M 7RF	92,185	111,700,000	M&G RE
Building B, 3 Bunhill Row, London, EC1Y 8YZ	118,777	100,000,000	Oryx Real Estate Partners
13-17 Fitzroy Street, London, W1T 4BS	92,700	92,000,000	DWS Group
Broad Street House, 55 Old Broad Street, London, EC2M 1LJ	99,942	87,000,000	Landsec
2 Angel Square, London, EC1V 1NY	126,200	86,500,000	Tishman Speyer
Johnson Building, 77 Hatton Garden, London EC1N 8JP	193,710	85,100,000	Arax Properties, Eurazeo Patrimoine
7 Soho Square, London, W1D 3QE	85,832	78,000,000	Hines Europe, LLC
Saffron House, 6-10 Kirby Street, London, EC1N 8TS	73,000	78,000,000	M&G Real Estate
26 Grosvenor Gardens, London, SW1W 0DH	114,944	75,500,000	CIT Group
The Arc, 225 City Road, London, EC1V 1JT	148,048	75,000,000	225 City Road Limited
1 Golden Lane, London, EC1Y 0RR	106,886	75,000,000	Castleforge
20 Vauxhall Bridge Road, London, SW1V 2SA	63,229	67,000,000	Sofidy
100 Leman Street, London, E1 8EU	95,810	60,000,000	Henderson Park/Dukelease
Holborn Central, 88 Kingsway, London, WC2B 6AA	67,707	52,000,000	Hagag Group
Gavrelle House, 2-14 Bunhill Row, London, EC1Y 8HQ	77,829	46,225,000	Sofidy
Emerson Building, 4-8 Emerson Street, London, SE1 9DU	150,000	43,300,000	LBS Properties and Barings
152-156 Great Portland Street, London, W1W 5QA	289,990	42,000,000	MAPFRE Group (Spain)
Eldon House, 2-3, Eldon Street, London, EC2M 7BX	63,000	40,000,000	Dartriver London LLP

Appendix 2 Selected speculative office development commitments, over 50,000 sq ft, coming forward since March 2020

Address	Post Code	Square Feet	Owner/Developer/Advisor
North Quay, Canary Wharf	E14	2,400,000	Canary Wharf Group
1 & 4, Canada Water Retail Park, Southwark	SE16	1,722,224	Art Invest Real Estate
2-3 Finsbury Avenue Square, Broadgate, City of London	EC2M 2PA	1,147,582	Bluebutton Properties
Former ITV Studios, 72 Upper Ground, South Bank	SE1 9PR	900,000	Mitsubishi Estate
81 Newgate Street, City of London	EC1A 7AJ	810,306	Ng Devco Limited
XI House, 70 Gracechurch Street, City of London	EC3V 0HR	784,968	Advanced Idea Holdings Limited
New development behind British Library	NW1	770,000	Stanhope & Mitsui Fudosan
Cutlers Exchange, 115-123 Houndsditch, City of London	EC3A 7BU	719,749	Cutlers Houndsditch Unit Trust
Technico House, Christopher Street/Earl Street, Hackney	EC2A 2AL	713,388	London Borough of Hackney
97-105 Victoria Street, Westminster	SW1E 6QT	640,054	Southside Unit Trust
115-123 Houndsditch	EC3A 7BR	600,000	Brockton Everlast
Lavington House, 25 Lavington Street, Southwark	SE1 0NA	557,182	Jones Lang LaSalle
Colechurch House, 1 London Bridge Walk, Southwark	SE1 2SX	518,583	Bridge Park Estates
City Tower And City Place House, 40-55 Basinghall Street	EC2V 5DX	496,054	Great Portland Estates
Becket House, 60-68 St. Thomas Street, Southwark	SE1 3QU	403,969	Zurich Insurance
2-6 Commercial Street, 101-105 Whitechapel High Street	E1 7QA	391,924	Alliance Property Development
55 Gracechurch Street, City of London	EC3V 0EE	365,973	City of London Corporation
Telephone House, 69-77 Paul Street, Hackney	EC2A 4NW	349,827	Brockton Everlast
Southwark Underground Station, 68-70 Blackfriars Road	SE18	330,247	Transport for London
Davies St/Brook St, South Molton Street, Westminster	W1K 4HQ	326,684	Grosvenor Group
Bury House, 31 Bury Street, City of London	EC3A 5AR	324,747	GreenOak Real Estate Advisors
Waterloo Road and Cornwall Road, Waterloo East	SE1	322,000	Bourne Capital
28-32 Redchurch Street, Tower Hamlets	E2 7DP	315,038	UKI (Shoreditch)
20-24 Pope's Road, Lambeth	SW9 8JB	312,175	AG Hondo Popes Road BV
1 St George's Road, Wimbledon, Merton	SW19 4DR	278,688	M&G Real Estate
201-207 Shoreditch High Street, Hackney	E1 6LG	250,000	Rocket Properties
Lansdowne House, 57 Berkeley Square, Westminster	W1J 6ER	238,958	APML Estate Limited
Westminster House, 7 Millbank, Westminster	SW1P 3JA	209,175	Baola Properties Limited
South London Mail Centre, 53 Nine Elms Lane, Wandsworth	SW8 5BB	202,135	Royal Mail Group
14-21 Holborn Viaduct, 32-33 & 34-35 Farringdon Street	EC1A 2AT	196,011	CBRE Limited
95-100 Tottenham Court Road, 88 Whitfield Street, Camden	W1T 4TW	189,994	Derwent London
Thavies Inn House, 3-4 Holborn Circus, City of London	EC1N 2HA	130,265	Evans Randall Investors
25 Brick Lane, Woodseer Street, Tower Hamlets	E1 6RU	121,191	Old Truman Brewery Ltd
63-81 Pelham Street, Kensington & Chelsea	SW7 2NJ	114,603	Wellcome Trust
Premier House, 10 Greycoat Place, Westminster	SW1P 1SB	110,448	GMG Real Estate
Moorgate, City of London, London	EC2M 6SL	109,383	Transport for London
48-50 Jermyn Street, 180 Piccadilly, Westminster	SW1Y 6LX	105,809	Great Portland Estates
64-66 Coleman Street, & 35-39 Moorgate, City of London	EC2R 5BX	63,550	CLI Dartriver
1-4 Crown Passage, 55-58 Pall Mall, Westminster	SW1Y 6PP	53,755	PKS Immobilien GMBH & Co
Building 7, 25-31 Thomas More Square, Tower Hamlets	E1W 1YW	53,163	Thomas More Square S.a.r.l.
Imperial Studios, 7 Imperial Road, Hammersmith & Fulham	SW6 2AG	52,797	Stonehaven International

Appendix 3 Selected leasing deals, over 40,000 sq ft, since March 2020

Occupier	Address	Square Feet
Facebook	1 Triton Square, NW1 3DX	312,000
Allen & Overy	1+2 Broadgate, EC2	254,000
Latham & Watkins	1 Leadenhall Street, EC3V 1AB	200,000
Facebook	Building S3, Handyside Street, King's Cross, N1C 4BP	190,000
TOG	Building R8, King's Cross, York Way, N1 0AU	170,000
Travers Smith	Stonecutter Court, 1 Stonecutter Street, EC4A 4TR	156,451
Baker McKenzie	280 Bishopsgate, EC2M 4RB	150,000
The Office Group	8 Stables Street, King's Cross, N1C 4AB	138,000
JLL	1 Broadgate, EC2M 2QS	132,228
IBM United Kingdom	20 York Road, SE1 7ND	132,061
T Rowe Price	Warwick Court, 5 Pasternoster Square, EC4M 7DW	129,361
Aspire Via Studios	Red Lion Court, 46-48 Park Street, SE1 9EQ	128,324
Inmarsat	50 Finsbury Square, EC2A 1HD	121,200
Snapchat	Bloom Building, Farringdon, EC1M 3NN	114,000
Daily Mail	Northcliffe House, 2 Derry Street, Kensington, W8 5HY	103,000
Netflix	Copyright Building, 29-33 Berners Street W1T 3AB	100,000
Twitter	Airw1, 20 Air Street, W1B 5RD	89,581
Tik Tok	4 Lindsey Street, EC1A 9HP	86,163
Apple	22 Bishopsgate, EC2N 4AJ	75,000
GoCardless	Hylo Building, 103-105 Bunhill Row, EC1Y 8LZ	75,000
City University	33 Finsbury Square, EC3	73,700
HM Government	50 Broadway, SW1H 0BL	72,827
Brevan Howard	82 Baker Street, W1U 6AE	71,779
The Office Group	210 Euston Road, NW1 2RT	70,000
Sullivan & Cromwell	1 New Fetter Lane, EC4A 1AN	67,000
Apple	1 Bank Street, Canary Wharf, E14 4SG	66,655
William Blair	22 Bishopsgate, EC2N 4AJ	66,000
Thought Machine	7-11 Herbrand Street, WC1N 1EX	65,024
Babylon Healthcare	1 Knightsbridge Green, SW1X 7NW	65,000
Skadden Arps	22 Bishopsgate, EC2N 4AJ	65,000
Mizuho Bank	2 New Ludgate, 30 Old Bailey, EC4M 7AU	59,878
Future Publishing	Dorland House, 121-141 Westbourne Terrace, W2 6JR	59,350
CPPIB	40 Portman Square, W1H 6AJ	58,648
Pimco	11 Baker Street, W1U 3AH	57,195
Royal London	EightyFen, 80 Fenchurch Street, EC3M 4BY	54,583
AllianceBernstein	60 London Wall, EC2M 5TQ	52,814
Octopus Energy	UK House, 2 Great Titchfield Street, W1W 8BB	51,682
BP	Douglas House, 131-151 Great Titchfield Street, W1W 5BB	50,000
Kennedy's	20 Fenchurch Street, EC3M 8AF	50,000
Transferwise	Tea Building, 56 Shoreditch High Street, E1 6JJ	48,949
Bain Capital	Devonshire House, 1 Mayfair Place, W1J 8AJ	48,582
Amazon	The Glasshouse, 26-28 Glasshouse Yard, EC1A 4JU	47,759
Smart Pensions	136 George Street, W1H 5LD	45,525
IDRC Limited	Juxon House, 100 St. Paul's Churchyard, EC4M 8BU	45,359
HM Government	Victory House, 30-34 Kingsway, WC2B 6EX	45,104
Brookfield Multiplex	Whittington House, 1-7 Whittington Avenue, EC3V 1LA	40,250
Arcadis	EightyFen, 80 Fenchurch Street, EC3M 4BY	40,000
Sharkmob	4th Floor, 80 Strand, London, WC2R 0RL	39,459
Edelman	Francis House, 11 Francis Street, SW1	38,200
JLL	Wood Wharf, 20 Water Street, London, E14 5RB	38,000

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