RESEARCH

MARKET IN MINUTES

Greater London & South East Market Watch

Commercial – UK Offices – Q3 2026

savills

KEY STATS

11 submarkets achieved new headline rents

-6%
Total Supply is 6% below 2025

70%
Q1-Q3 Prime & Grade A take-up

£67.00
Prime rent for the Greater London & South East

Rental growth offers encouragement amid softer take-up levels

Summary

- Q3 take-up totalled 444,000 sq ft, bringing the Q1-Q3 2026 total to 1.57 million sq ft.
- 11 submarkets recorded new headline rents across Q1-Q3 2026, reinforcing the trend of continued rental growth for prime and Grade A space.
- Supply continues to reach new historic lows, with 11.1 million sq ft of space currently available.

Take-up

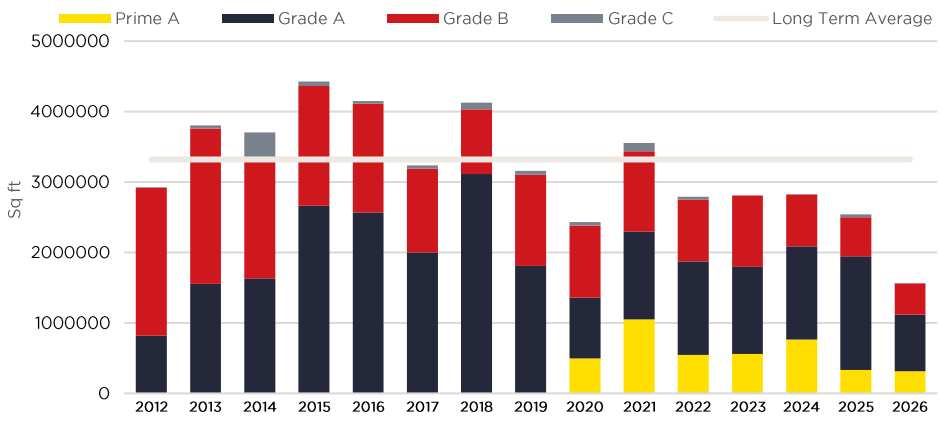
Take-up in Q1–Q3 totalled 1.57 million sq ft, 23% below the same period in 2025 and 24% below the five-year average. Although requirements are up 20% compared with the same period last year, economic uncertainty and high upfront relocation and fit-out costs have kept occupiers cautious about committing to new space. Decision periods have lengthened, with some occupiers choosing to renew or regear existing leases instead. Against this backdrop, Q3 take-up totalled 444,000 sq ft, 17% below Q3 2025 and 36% below the five-year average.

KEY STATISTICS

	Data	Change from Q1-Q3 2025
Total Market Q1-Q3 Take-Up (sq ft)	1,568,000	-23%
Prime and Grade A Q1-Q3 Take-Up (sq ft)	1,104,000	-32%
Total Market Supply	11,126,000	-6%
Prime Rent (£ per sq ft)	£67.00	-
Speculative Development Under Construction (sq ft)	60,000	-
Comprehensive Refurbishment Under Construction (sq ft)	377,000	-

Source: Savills Research

GREATER LONDON AND SOUTH EAST OFFICES TAKE-UP (2012-Q3 2026)



Source: Savills Research

Grade A space accounted for 48% of Q3 take-up and 70% of Q1–Q3 2026 take-up. The lower Q3 share partly reflects the quarter's two largest deals, both involving Grade B space: easyJet's 62,000 sq ft letting at First Point, Gatwick, and the Seventh-day Adventist Church's 49,000 sq ft acquisition of ACI House, Watford. However, prime space accounted for 25% of Q3 take-up, up from 18% in Q3 2025, indicating that demand for the best quality space remains resilient.

The lack of deals over 20,000 sq ft has been a key factor behind subdued take-up. Activity in the 5,000–9,999 sq ft size band has remained resilient and in line with the

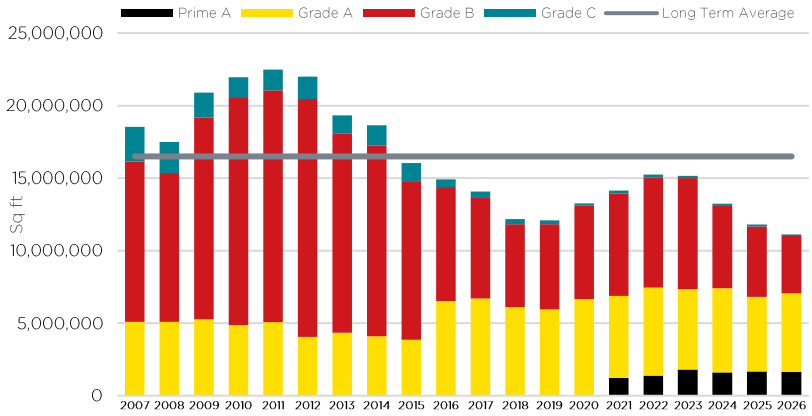
five-year average, while take-up from deals over 20,000 sq ft between Q1 and Q3 was 38% below both the five- and ten-year average. Looking ahead, demand from well-funded larger corporate occupiers is more encouraging, with five lettings between 50,000 and 100,000 sq ft expected to complete in Q4, providing a positive backdrop for increased levels of take-up to be recorded by the end of the year.

> Whilst overall take-up remains below historic levels, the number of transactions completed during 2026 is only 13% below the five-year average, highlighting the resilience of occupier demand.
>
> **Andrew Willcock**
> Head of Greater London & South East Agency

Reading and Watford have experienced the highest volumes of take-up on a market basis, with 246,000 sq ft and 107,000 sq ft recorded, respectively. The Southern Sector, however, recorded a strong rebound in Q3 2026, with take-up 105% higher year on year and 17% above the five-year average, taking Q1–Q3 take-up to 24% ahead of the same period in 2025. This was supported by Crawley, which recorded 101,000 sq ft of take-up aided by the easyJet deal, and Farnborough, where 91,000 sq ft of take-up was aided by the expansion of defence occupiers.

Manufacturing & Industry, encompassing pharmaceuticals, fast-moving consumer goods, manufacturing and notably defence, remains a strong source of take-up across the region, supporting overall market activity. In 2025/26, £8.5 billion was spent on defence across the region, up 3% on the previous year, with the Southern Sector and Western Corridor particularly well placed to benefit. The Southern Sector accounted for 38% of Manufacturing & Industry take-up, followed by the Western Corridor at 24%. Defence-related deals to date have included Parico Ltd, ESCO Maritime Solutions, Costain and SatixFy. With the South East a major hub for defence activity, continued investment should help support future take-up across the region.

GREATER LONDON AND SOUTH EAST OFFICES SUPPLY (2007-Q3 2026)



Source: Savills Research

Supply

At 11.1 million sq ft, supply is at its lowest level on record, down 6% year on year and 27% below the 2022 peak. Excluding West London, there are only 12 prime buildings capable of accommodating a requirement over 20,000 sq ft, of which just seven are in town centre locations. This shortage of quality space, with little new development coming through, is supporting rental growth across the region as competition for best-in-class space intensifies.

Development activity remained limited in Q3, with completions at 31 Chertsey Street, Guildford, and 4 Arbour Street, Brent Cross. A further 377,000 sq ft of space is currently undergoing comprehensive refurbishment. The only speculative development under construction is Trehus, which will provide 60,000 sq ft of prime space in Maidenhead town centre.

Rental levels

A new headline rent has been set at Explore in Richmond, increasing the prime rent from £64.50 to £67.00 per sq ft. Across Q1–Q3, 11 submarkets recorded new headline rents, including five in West London, which has benefited from increased demand as occupiers look to move closer to central London. The first letting at The Cygnet to SHL increased Kingston's prime rent by 36% to £51.00 per sq ft, the largest increase recorded this year. Kimberly-Clark's 31,000 sq ft letting at Arding & Hobbs, Clapham Junction, also set a new headline rent for this submarket of £61.00 per sq ft, representing a 130% uplift on the company's previous rent paid in Reigate. These deals demonstrate that corporate occupiers remain willing to pay a premium for high-quality space in well-located markets.

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