RESEARCH

MARKET IN MINUTES

City Investment Watch

Commercial – City Offices – October 2026

savills

September sees uplift in activity as year-to-date turnover surpasses £3bn

September saw £416 million of investment turnover across seven deals, bringing the year-to-date (YTD) total to more than £3 billion. In a market which has generally been characterised by either a steady flow of sub-£20 million deals (accounting for 65% of all transactions in the City market this year), or large, isolated deals such as Barclays' £750 million acquisition of 1 Churchill Place and the sale of 1–5 Bank Street, (two deals which account for 46% of all 2026 turnover), September instead saw a balance of medium-sized trades, with four of the seven transactions falling within the £20 million to £75 million lot size range. At the end of September, YTD turnover stood at £3.11 billion across 62 deals, reflecting an average lot size of £50.1 million. Compared with the five-year average, these figures indicate a 21% decrease in turnover volume and a 5% fall in terms of the number of transactions.

In the largest deal of the month, Savills advised on the acquisition of the Inventory campus in East India Dock for in excess of £200 million, acquiring the freehold interest from LaSalle. Located approximately two minutes' walk to the north of East India DLR station in Zone 2 of East London, the property consists of a six-acre freehold site comprising 696,353 sq ft across four buildings.

In the second largest deal of the month, Savills advised on the disposal of the Worship Street Estate, EC2, acting on behalf of the City of London at a price above the £72.5 million guide. Located between Liverpool Street and Old Street station, the estate comprises 10 freehold properties and one long leasehold. The estate extends to approximately 194,832 sq ft across 11 buildings and is multi-let to 25 tenants, producing £6.73 million per annum, reflecting £34.57 per sq ft overall and providing a WAULT of 3.6 years to expiries and 3.1 years to breaks.

In another significant deal, a private Indian investor acquired the long leasehold interest, 216 years at a nominal head rent of £50 per annum, in 1 America Square, EC3. Located in the south-eastern corner of the City of London, approximately 2 minutes to the east of Fenchurch Street station and 5 minutes to the north-west of Tower Hill, 1 America Square is a 231,186 sq ft office building constructed in the early 1990s, and is multi-let to five office tenants and two retail tenants at a passing rent of £5.75 million per annum, reflecting a low blended rent of £35.92 per sq ft overall, with a short WAULT of 2.8 years to expiries and 1.6 years to breaks. The private investor acquired the long leasehold interest from Hermes for £44 million, reflecting a 12.24% net initial yield and £190 per sq ft.

In two other notable deals, Savills sold the freehold interest in 179–191 Borough High Street, SE1, to a French SCPI fund. The property was sold with 6.2 years' term certain to a strong tenant covenant, with the lease subject to annual indexation. The deal marks the French investor's second acquisition in the City market this year and further emphasises the trend of acquisitive French SCPI funds buying high-yielding assets with secure, stabilised income.

Savills also sold the long leasehold interest – 124 years at 10% gearing – in 32 Threadneedle Street, a single-let asset with eight years to expiry and three years to breaks, to serviced office operator Boutique Workplace. The property was sold by Canal & River Trust to a private Spanish investor for £7.87 million, reflecting a 7.33% net initial yield and £564 per sq ft, thereby marking their third acquisition in the City market this year, following on from 65 Fenchurch Street and 89–91 Gresham Street in August and May, respectively.

As at the end of September, Savills is tracking £2.58 billion of under-offer stock across 31 deals. In September, Savills moved yields outwards by 25 bps, with prime yields increasing across both markets, moving from 3.75% to 4.00% in the West End and from 5.25% to 5.50% in the City. For further details please contact us.

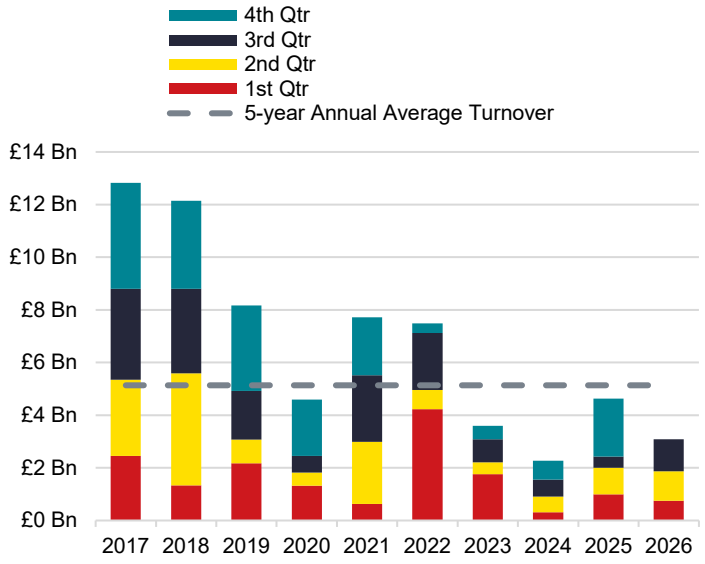
£3.11bn
JAN-SEPT TURNOVER ACROSS 62 TRANSACTIONS

-21%
VOLUME IS DOWN ON THE Q1-Q3 5-YEAR AVERAGE

5.50%
CITY PRIME YIELD UP 25BPS

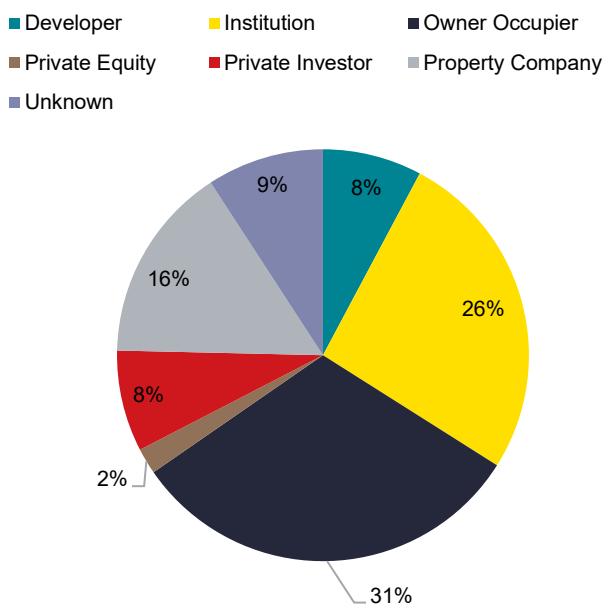
£2.58bn
UNDER-OFFER AT THE END OF SEPTEMBER

Chart 1: 2017 - 2026 City Investment Turnover by Quarter



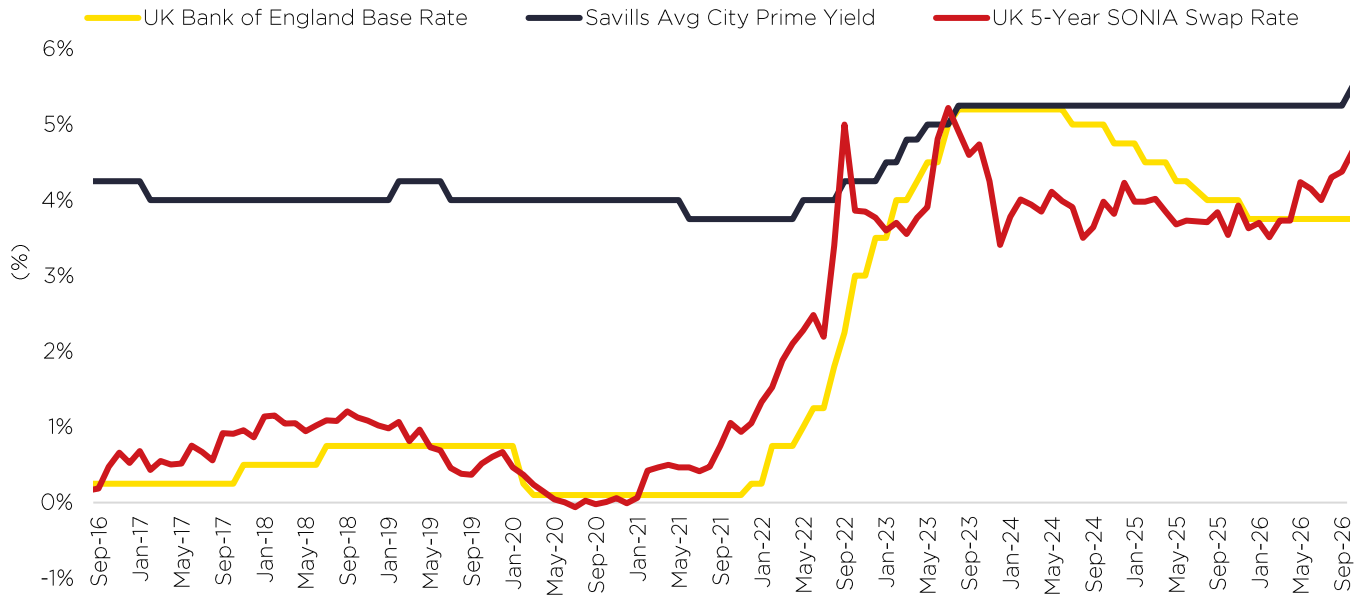
Source: Savills Research

Chart 2: 2026 City Investment Turnover by Purchaser Nationality



Source: Savills Research

Chart 3: City Yields



Source: Savills, Bank of England, Chatham Financial

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