RESEARCH

MARKET IN MINUTES

# West End Investment Watch

Commercial – West End Offices – October 2026

savills

# West End prime yield moves out to 4.00%

September represented a relatively active month of transactional activity totalling £504m across 15 trades. This marked the second-highest month by volumes and the joint-highest by number of trades and brings the total for Q3 to £1.44bn. Year-to-date volumes stand at a cumulative £3.46bn, which is in line with the 5-year average and 11% below the 10-year average. Key to this resilience in volumes has been the steady flow of larger transactions in recent months with 10 over £100m taking place so far this year, up 32% on the 5-year average.

The largest trade of the month was Landsec's sale of 123 Victoria Street, SW1, an island site comprising 245,000 sq ft of multi-let office and retail accommodation at an average passing rent of £69.56 psf. At the point of exchange, the asset had a WAULT of 2.6 years to breaks, providing the opportunity to capture rental reversion through active asset management. SevenCitiesLdn purchased the asset for £211m (8.23%, £861 psf), a c.20% discount to the original quoting price, highlighting continued pricing sensitivity towards larger assets outside of the core West End.

BNF Capital and Morgan Real Estate acquired 27 Savile Row, W1, from CPI Property Group for approximately £105m (£2,249 psf on the consented NIA). The former West End Central Police Station benefits from planning consent for an office-led redevelopment providing approximately 47,000 sq ft of office accommodation. The transaction highlights continued investor appetite for development opportunities in core West End locations, supported by limited new office supply and strong occupational demand.

In other notable September transactions, Savills advised Ares on the freehold sale of 25 Great Pulteney Street, W1, to a private investor for £73m (4.17% & £2,247 psf). Savills also advised on the sale of the freehold interest in 13 & 14 South Audley Street, W1, to an owner-occupier for £25m (£1,590 psf).

European investors have been the most active in the first three quarters of the year, accounting for 41% by volume, and were responsible for six of the ten largest trades YTD. North American and domestic investors followed on 21% each, although the latter remained dominant by number of trades at 41%. Private investors were the largest buyer group, making up 35% of volume, and have already exceeded the annual volumes recorded in the previous three years.

This positive end to Q3, however, is set against the backdrop of economic headwinds with the 5-year SONIA swap having risen to 4.70%, and the Bank of England expected to hike the base rate before year-end, according to the latest Oxford Economics forecast (October 2026). In light of this and recent transactional evidence, the Savills West End prime yield has moved out by 25 basis points to 4.00%, reflecting renewed pressure on pricing despite resilient occupational fundamentals.

The volume of newly marketed stock has also fallen with 26 assets quoting a combined £834.62m recorded in Q3, which is in stark contrast to the £2.06bn across 44 assets that was marketed during Q3 last year. Investment opportunities are weighted towards smaller lot sizes, with half of available assets quoting below £20m and just 12% above £100m.

The most notable sale brought forward in September was Clearbell Capital's freehold interest in The Kodak, 11 Keeley Street, WC1, quoting £80.38m (6.50% & £1,121 psf). The building comprises 71,703 sq ft of comprehensively refurbished, multi-let office and retail with the remaining vacant floor under offer. The asset is let at a passing rent of c.£75 psf with a WAULT of 3.9 years to breaks.

Increased investor caution is further illustrated in a slowdown in under offers. Four sales were agreed in September at a combined £86.50m, bringing total under offers at the end of Q3 to £1.22bn across 31 assets, down by a third year-on-year. Given these factors, it is unlikely that year-end turnover will reach the five-year average of £5.06bn.

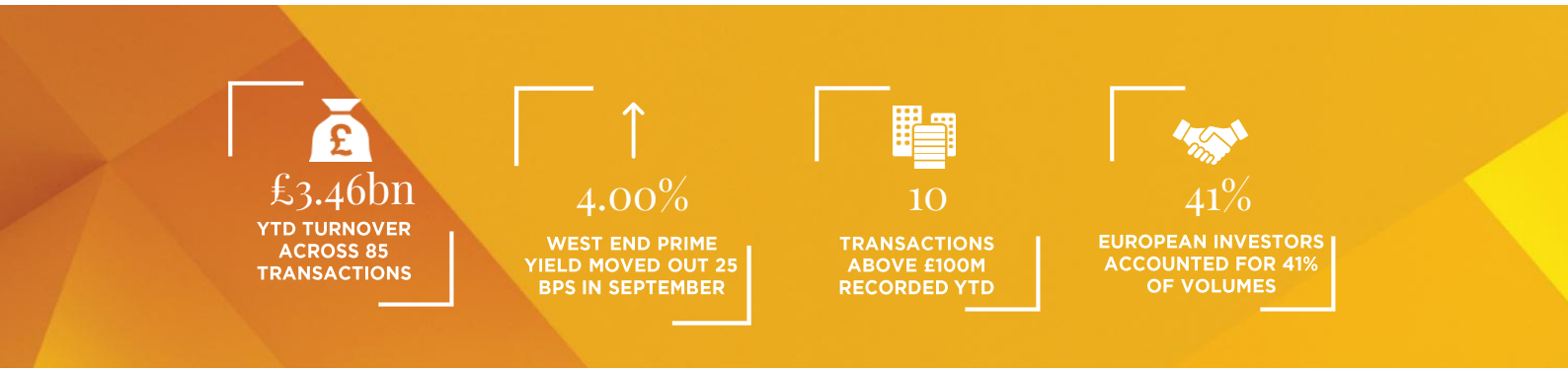
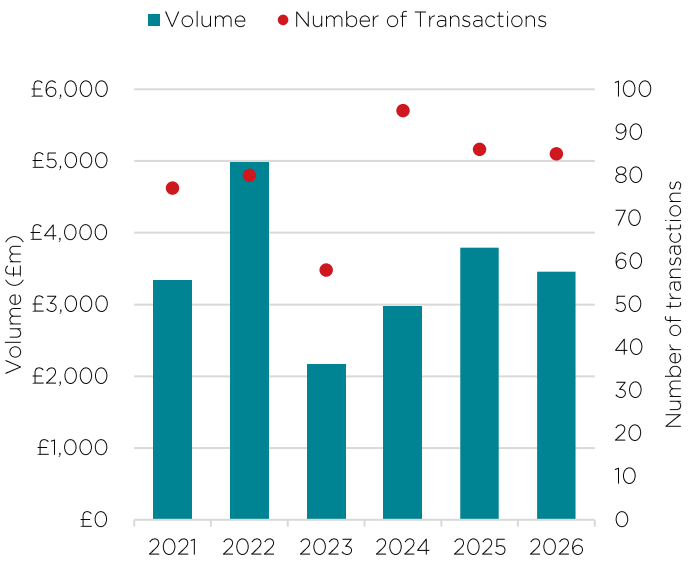
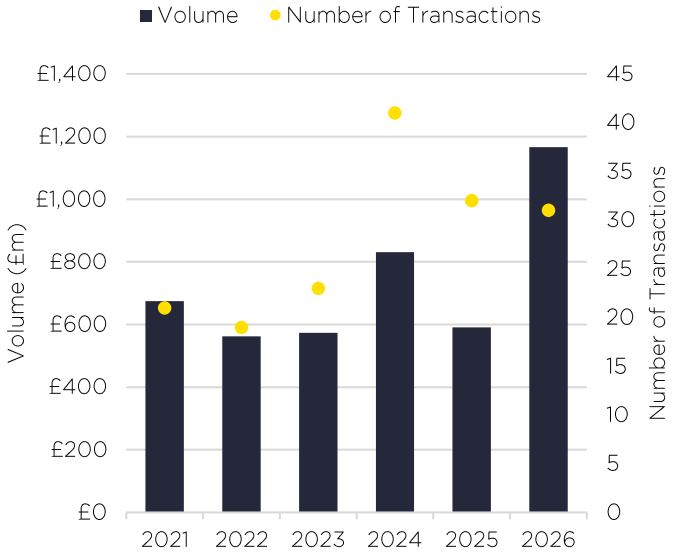


**Chart 1: West End Q1-Q3 Investment Volumes**



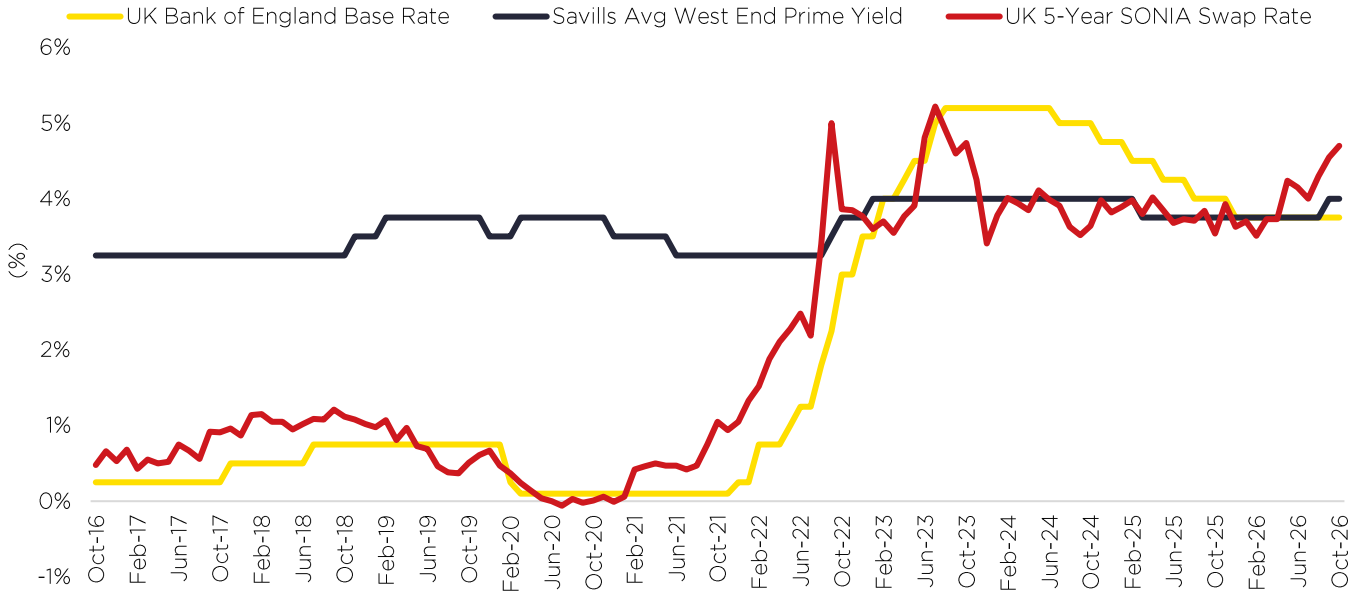

**Source**: Savills Research

**Chart 2: West End Private Purchaser Investment Volumes (Q1-Q3 2021-2026)**




**Source:** Savills Research

**Chart 3: West End Yields**




**Source:** Savills, Bank of England, Chatham Financial

## Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of the UK property market. To view copies of our previous Spotlight publications, go to www.savills.co.uk/insight-and-opinion/




**Paul Cockburn**
Director, West End Investment
020 7409 8788
PCockburn@savills.com



**Ben Hillier**
Associate, West End Investment
020 7409 8026
ben.hillier@savills.com



**Deri Ashford**
Associate, Commercial Research
020 7409 5903
deri.ashford@savills.com


Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 700 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.