RESEARCH

MARKET IN MINUTES

City Investment Watch

Commercial – City Offices – September 2026

savills

August sees another Canary Wharf trade to boost headline stats beyond £2.5bn

August saw £685.3 million of investment turnover across five deals and included one of the largest deals seen in the City submarket since the market downturn began in 2022, as Brookfield and the Qatar Investment Authority acquired the freehold interest in 1–5 Bank Street, E14, for £625 million. The year-to-date (YTD) volume at the end of August stands at £2.69 billion across 55 deals so far this year, reflecting an average lot size of £48.9 million. Compared to the five-year average, this represents a 19% decline in turnover volumes and a 2% fall by number of deals. Savills is currently tracking £2.73 billion of under-offer stock across 31 deals, including nine deals in excess of £100 million.

In the largest deal of the month – and the second largest deal since 2022 – Brookfield and the Qatar Investment Authority acquired the freehold interest in 1–5 Bank Street, E14, from Canary Wharf Group for £625 million. Located on the western side of the Canary Wharf estate, in close proximity to Canary Wharf station, 1–5 Bank Street is a 2019 office tower building comprising 718,404 sq ft across 27 storeys. The property is principally let to Société Générale on a long-term lease. Canary Wharf Group sold the property to its shareholders. The deal follows Barclays' £750 million acquisition of its own headquarters at 1 Churchill Place, E14, in June this year, with both deals representing the two largest transactions seen in the City submarket since September 2022, when Savills sold the long leasehold interest in 21 Moorfields for £808.5 million on behalf of Landsec. The combined value of 1–5 Bank Street and 1 Churchill Place amounts to £1.375 billion and accounts for 52% of all turnover YTD.

In another notable deal, Israeli investor Hagag Group acquired the freehold interest in 125 Finsbury Pavement, EC2, for £19 million, reflecting £414 per sq ft. Located on the western side of Finsbury Pavement, approximately 200 metres to the north of Moorgate station, the property comprises a 45,917 sq ft office building which was sold with full vacant possession, thereby providing the incoming buyer with an opportunity to comprehensively refurbish and reposition the asset to capture the strong rental growth being seen in this location. 125 Finsbury Pavement was originally marketed in February 2024, and following numerous aborted sales, the property was eventually sold by Danish pension fund Sampension KP. 125 Finsbury Pavement was acquired by Hagag Group in a deal which marks its first City acquisition since 2021, when it acquired Holborn Central for £52 million.

In another value-add deal, Kirsch sold the freehold interest in Saffron Hill Car Park, 14 St Cross Street, EC1, to Morgan Capital for £18 million. The property, which is located approximately 250 metres to the north of Farringdon station, comprises an NCP car park with 353 car parking spaces, with 12,009 sq ft of office accommodation over the 7th and 8th floors. The property was sold with a 2027 block date and benefits from a consented AHMM-designed office-led scheme comprising 92,332 sq ft of office, retail and ancillary accommodation arranged over lower ground, ground and eight upper floors. The property was acquired by UK developer Morgan Capital and follows on from its other Farringdon purchases of 19 Charterhouse Street and 55–61 Charterhouse Street in 2023 and 2024, respectively.

With August typically being a quiet month for transactions due to summer holiday disruption, focus will now turn to September and preparation for Q4, which is historically the most active quarter of the year. With £2.73 billion currently under offer in the City market, much will depend on how many of the nine £100 million-plus deals which are currently under offer trade before the end of the year. While Q4 2025 saw £2.12 billion of turnover, the highest quarterly volume since 2022, we wait to see if this can be surpassed by year-end.

The West End prime yield remains at 3.75%, while the City prime yield stands at 5.25%.

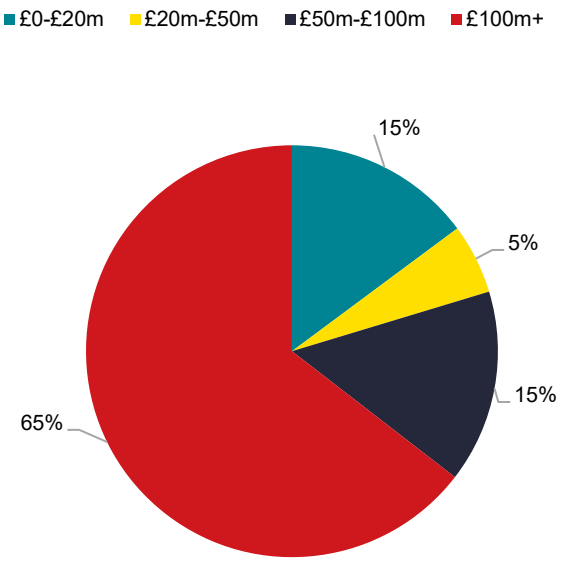
£2.69bn
JAN-AUG TURNOVER ACROSS 51 TRANSACTIONS

18%
VOLUME UP ON JAN-AUG 2025

5.25%
CITY PRIME YIELD REMAINS AT 5.25% FOR THE 37TH MONTH

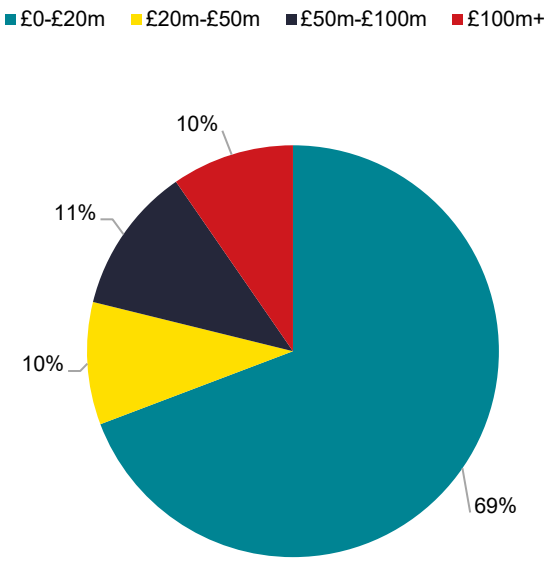
£2.73bn
UNDER-OFFER AT THE END OF AUGUST

Chart 1: 2026 City Investment Turnover by Price Band



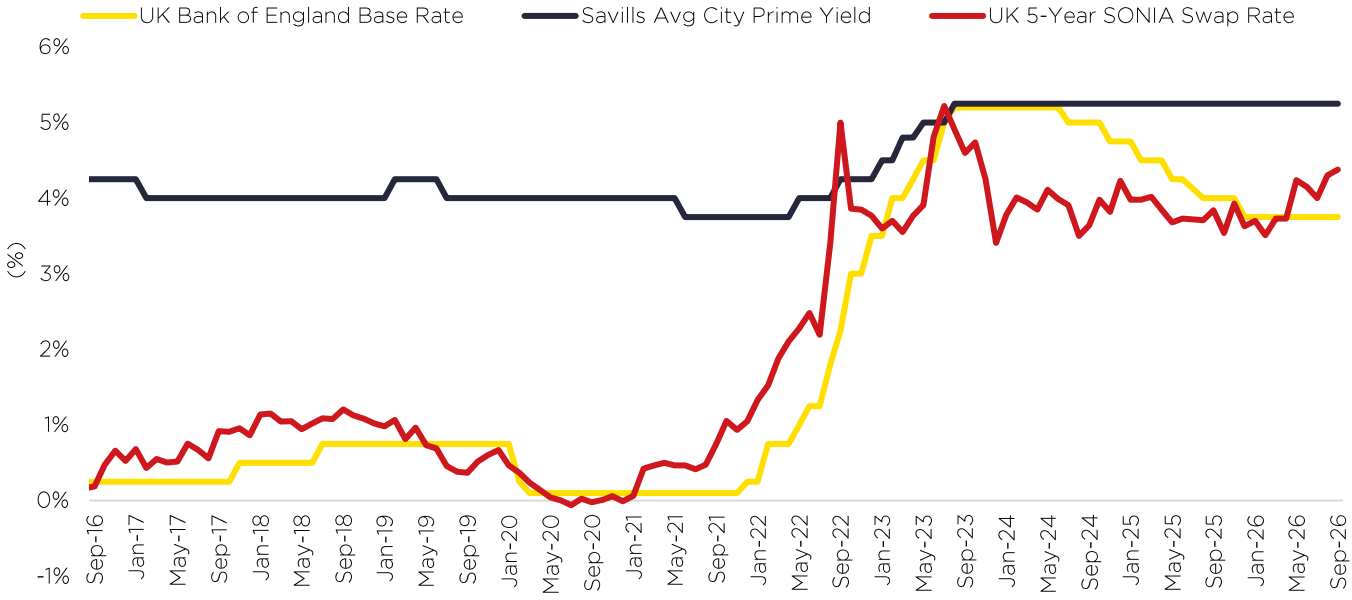
Source: Savills Research

Chart 2: 2026 City Investment Deal Number by Price Band



Source: Savills Research

Chart 3: City Yields



Source: Savills, Bank of England, Chatham Financial

Savills Research

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