Sanderson Weatherall

WEST END OFFICES

SUBMARKET RESEARCH

Q1 2026

CONTENTS

New Instruction

The Harewood, Mayfair - two newly refurbished high quality office floors providing a total of 7,842 sq ft.

New Instruction

8 Cavendish Square - Newly refurbished, CAT A+ office floors

WEST END

Office Market Q1 2026

The West End market saw take up remain close to trend levels once again in Q1 2026. Activity levels in the first three months of the year were just under 641,000 sq ft across 120 transactions. The leaning toward larger transactions is dominating activity once again, with lettings above 20,000 sq ft accounting for 48% of the quarter's lettings.

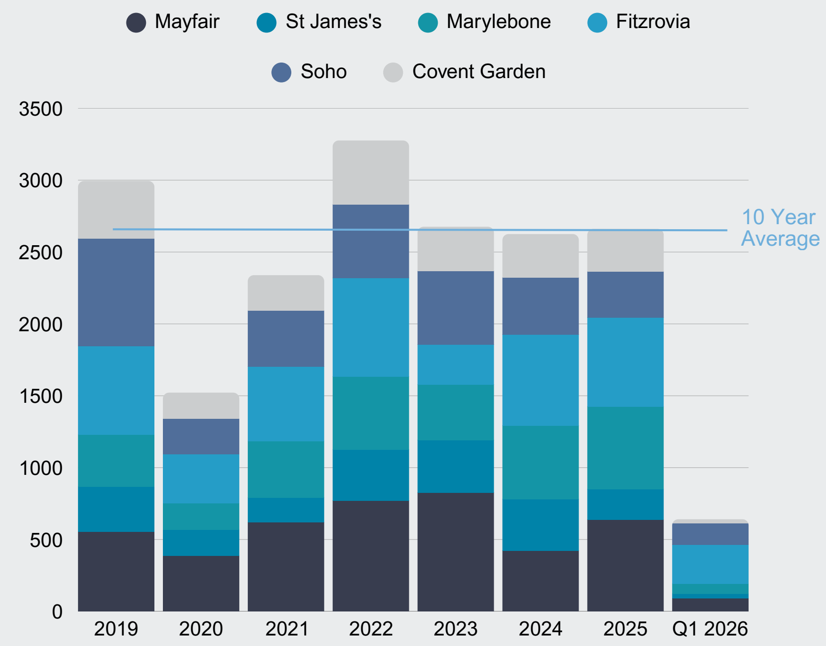
The largest deal in Q1 was US AI group Databricks pre letting Derwent London's - 136,300 sq ft Network building on Howland Street. There have been a number of lettings to artificial intelligence groups over the past 6-12 months with the latest news being the 158,000 sq ft letting to Anthropic at One Triton Square, which was agreed after the quarter end. Take up in Q1 has been strongest in the Fitzrovia and Soho sub markets, where activity has been significantly ahead of trend levels.

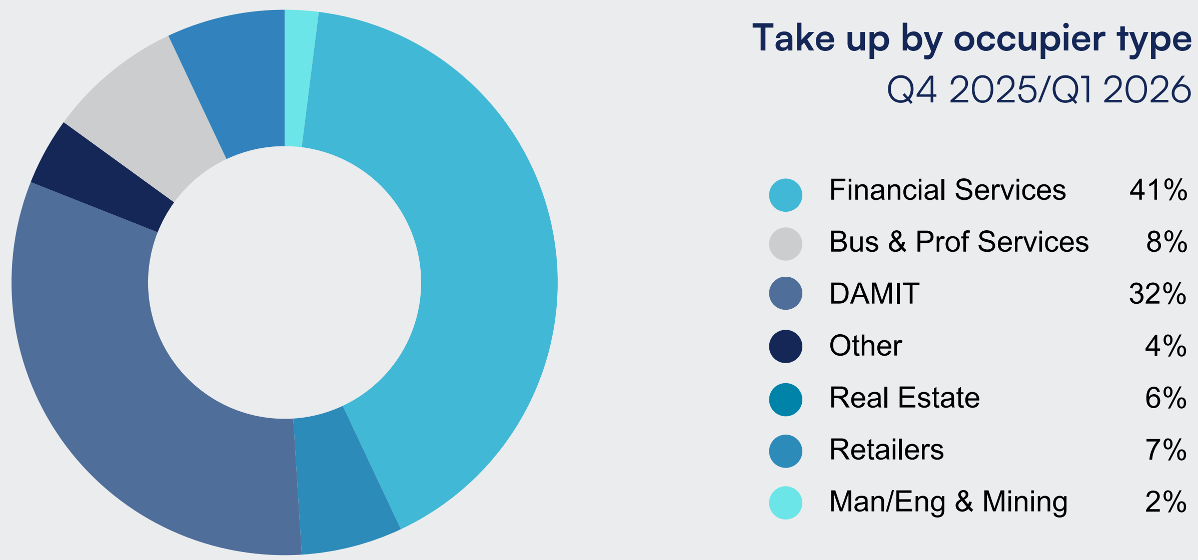
Supply in the core West End market has moved up slightly over the first three months of the year, with a number of new schemes completing and adding to Grade A supply. The most significant new addition is M&G's The Ribbon on Wells Street, which adds just under 70,000 sq ft to the supply picture. Availability continues to be focused in the Fitzrovia and Covent Garden markets where the combined availability rate stands at 9.6%. These two markets account for a combined 49% of overall supply across the core West End markets. Marylebone has seen the major tightening in supply in the recent past, with the availability rate falling from 6.0% at the start of last year to 3.7% in Q1 2026. The availability rate across the core West End markets, edged up slightly to 5.9%.

Demand across the core West End markets rebounded to 5.67m sq ft in the first three months of the year, the highest level of requirements in two years. The main increase in requirements has been seen in the demand for larger buildings, with requirements for office space above 10,000 sq ft up to 3.84m sq ft, the highest level recorded since 2021. The major increase in requirements has been in the Creative and Tech sector (DAMIT), where demand has more than doubled to 1.72m sq ft in the first three months of the year. The Creative sector is now the single most significant source of demand in the West End, accounting for 30% of all requirements.

Prime rents have grown strongly over the past 12 months, rising by 12.1% on average with all of the six core West End sub markets setting new rental highs. The most significant trend in the latest quarter's movements, is the move by Covent Garden to the '£100 per sq ft Club', with the final sub market moving to the new threshold. The strongest growth over the past year has been in Mayfair (15.2%) and Soho (13.6%) markets, where growth has exceeded the West End average.The only market to underperform the average has been Fitzrovia, where rents are up by 4.5%, with high levels of supply holding back growth.

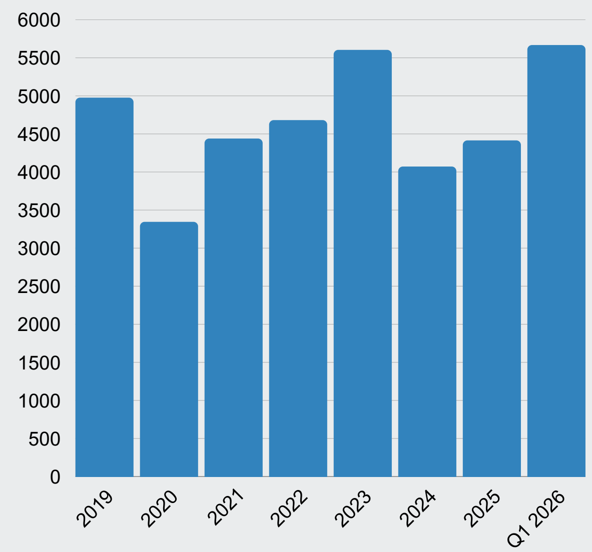
Take up
(000's sq ft)





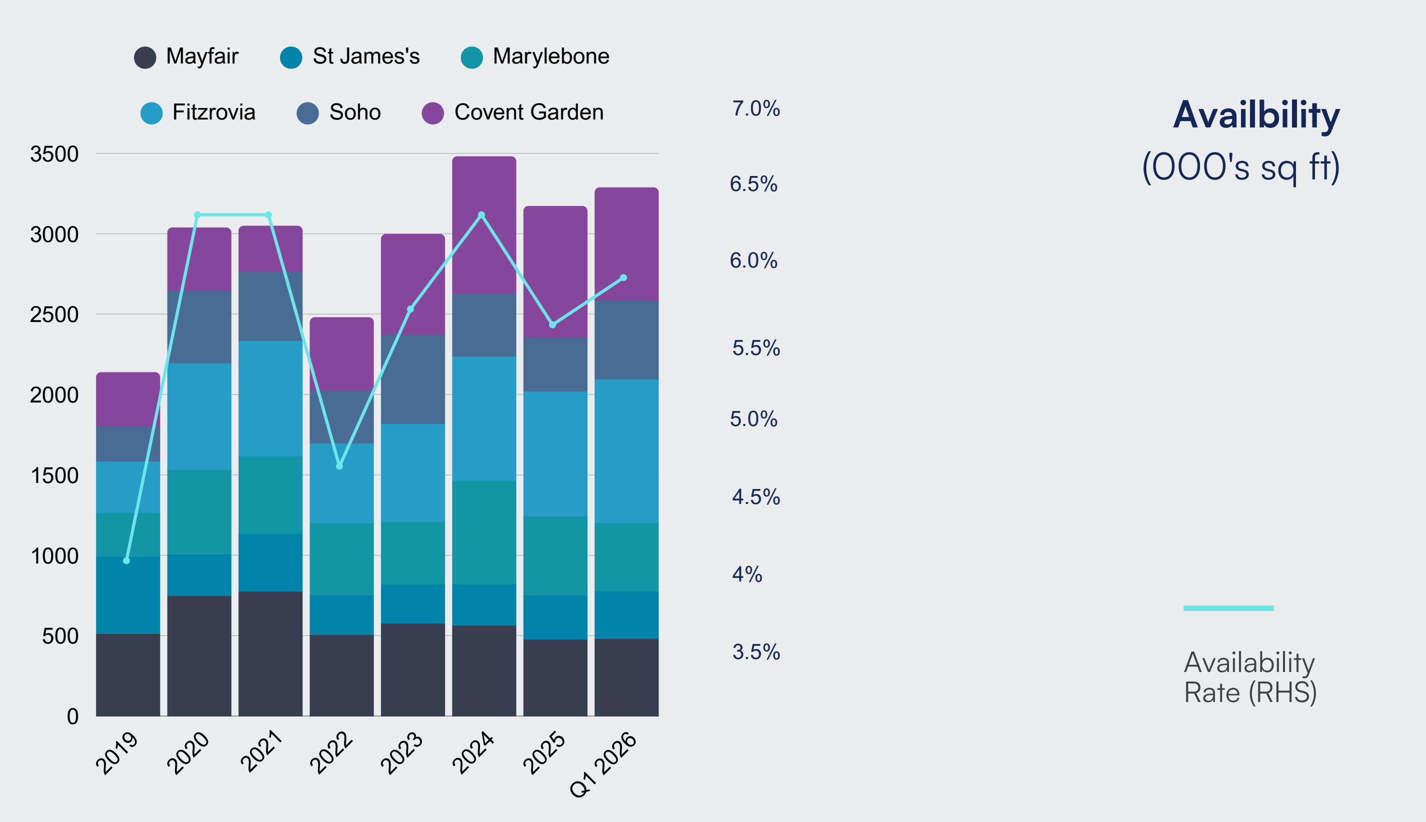
Q1 2026 Demand

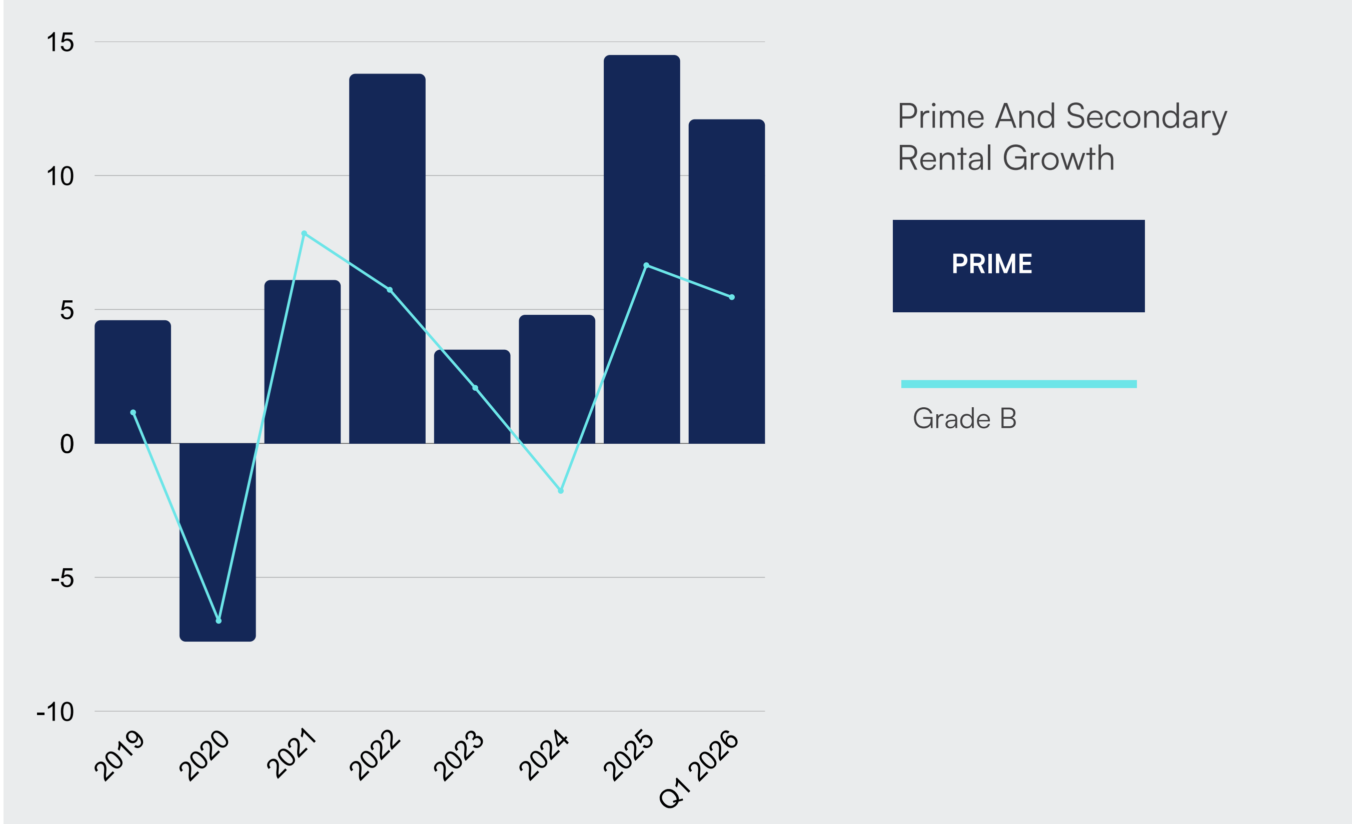
5.67m sq ft

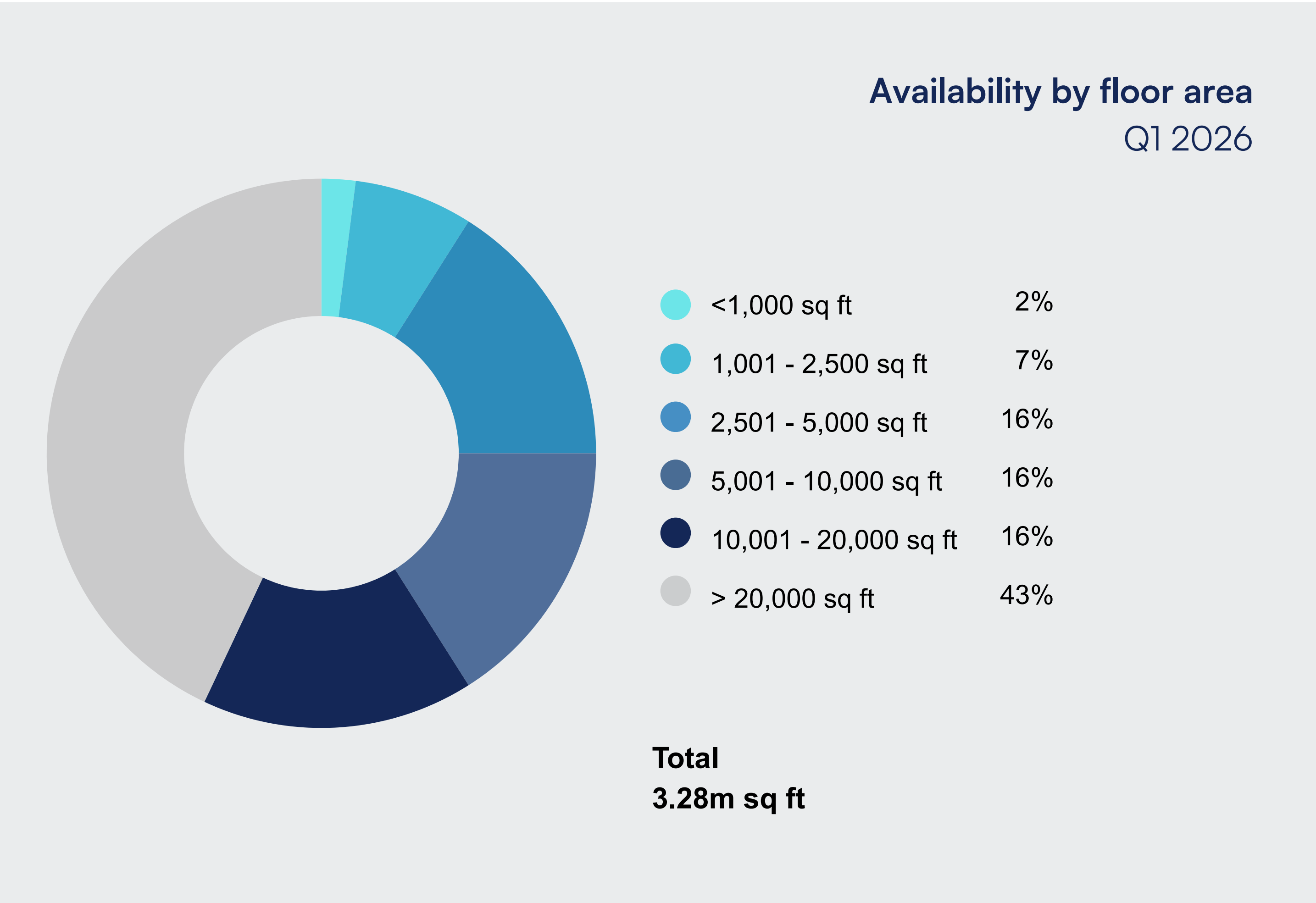


West End Supply

West End Rental Values







Prime Rental Values

MAYFAIR
Q1 2026
£190.00
Q4 2025
£185.00
Change
2.7 %

ST JAMES'S
Q1 2026
£175.00
Q4 2025
£165.00
Change
6.1 %

MARYLEBONE
Q1 2026
£130.00
Q4 2025
£120.00
Change
8.3%

FITZROVIA
Q1 2026
£115.00
Q3 2025
£110.00
Change
4.5 %

SOHO
Q1 2026
£125.00
Q4 2025
£120.00
Change
4.2 %

COVENT GARDEN
Q1 2026
£100.00
Q4 2025
£95.00
Change
5.3 %

MAYFAIR

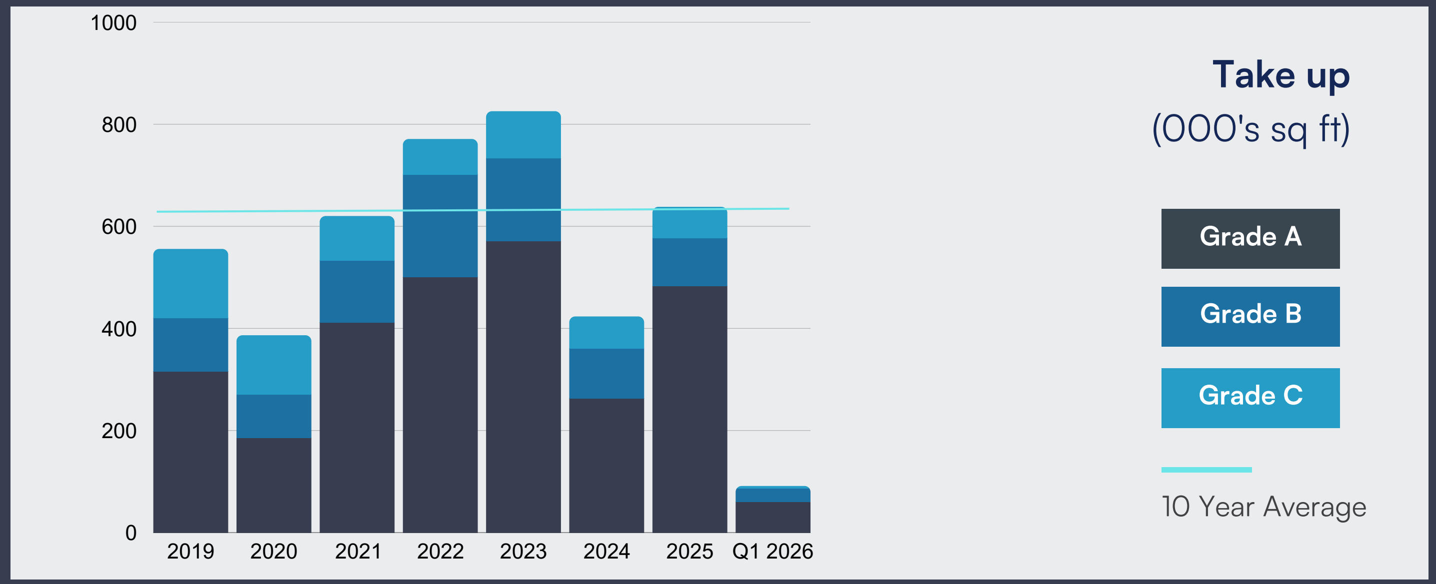
Office Market Q1 2026

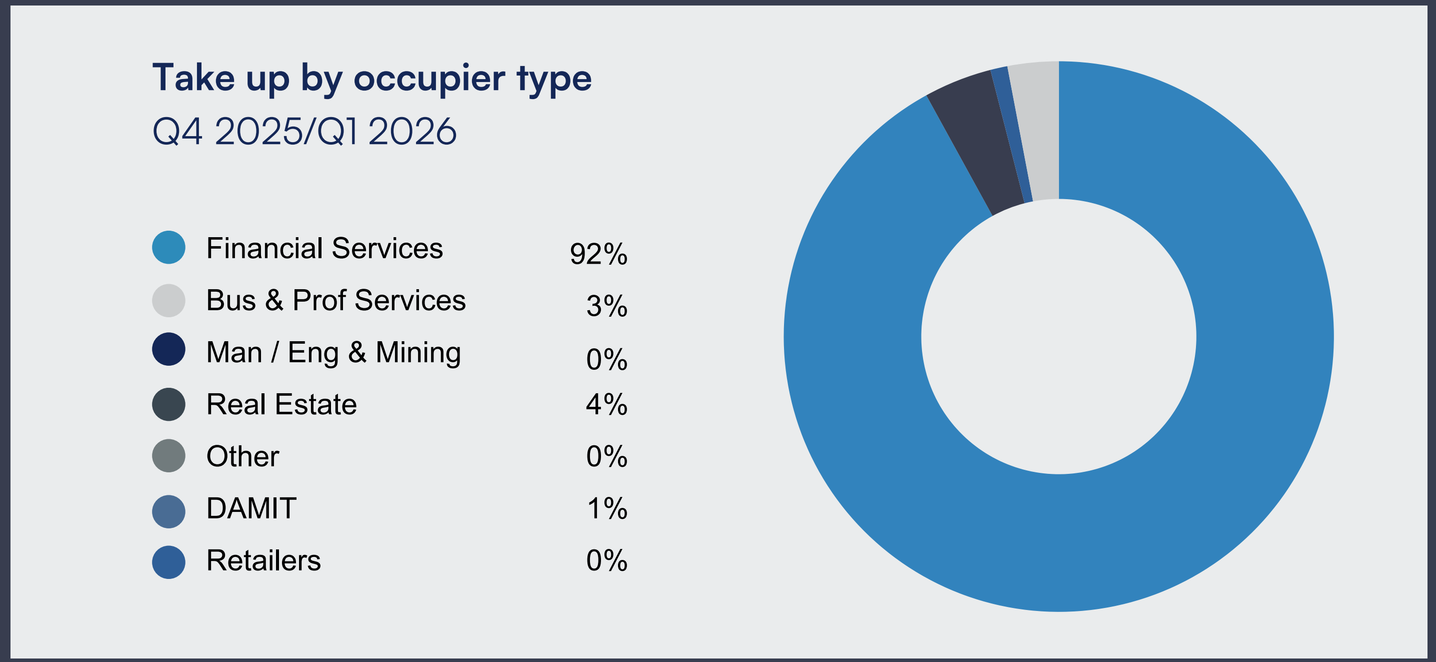
The Mayfair market started the year slowly following the return to trend levels in 2025.Take up in Q1 2026 was 91,250 sq ft across 24 lettings, with a continued focus on Grade A space, which accounted for 66% of the quarter's leasing activity.

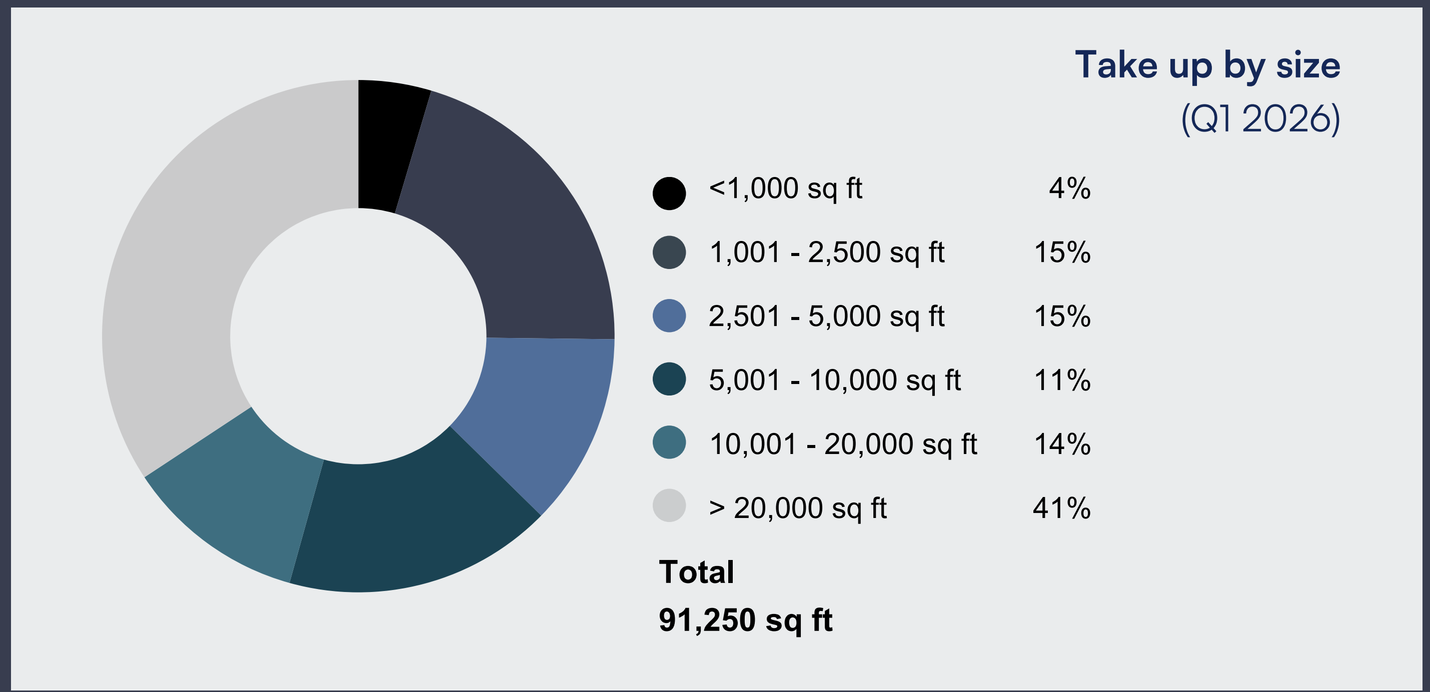
The largest deal in Q1 was the 31,325 sq ft pre let of the three floors of Aviva Investors new scheme Pegasus Mayfair at 37 Sackville Street to the European alternative credit management group Sona Asset Management. The new scheme will provide a total of 60,000 sq ft of office floor space across six floors, with 14,000 sq ft of retail and leisure space on the ground floor and is due to be ready for occupation in summer 2026. The financial services sector continues to dominate activity in Mayfair, accounting for 90% of lettings in Q1.

Supply remained relatively stable in the first three months of the year at 479,360 sq ft, with almost two thirds of availability focused in Grade A space.The largest Grade A space continues to be the 54,480 sq ft at 7 Old Park Lane, with the building currently being offered for sale, whilst there is 24,280 sq ft at Montague House on Hill Street, although this space is currently believed to be under offer. Aside from these two buildings, there is currently no other ready to occupy space above 20,000 sq ft in the Mayfair market. The availability rate remains below the long run average for Mayfair at 3.6%.

Shortages of stock have continued to impact on rents, pushing prime values to a new high of £190 per sq ft, with rents on Grade B and C stock also moving to £100 per sq ft and £77.50 per sq ft respectively. Over the past five years, prime rents in Mayfair have risen by 81% or 12.6% per annum.

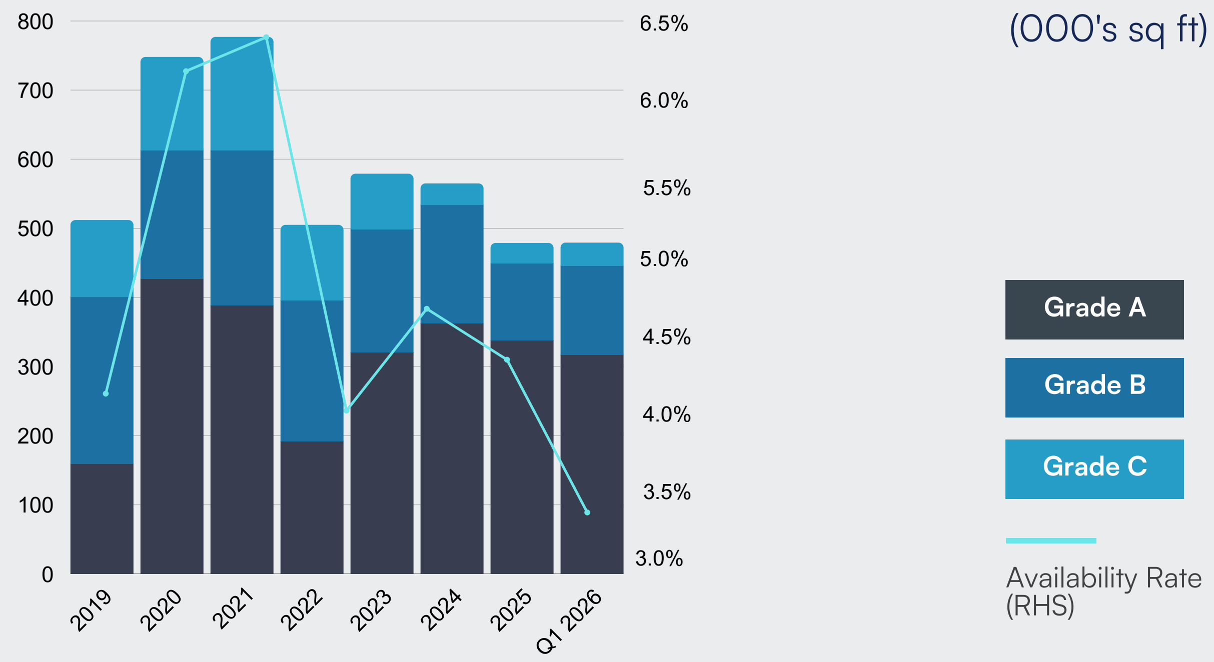




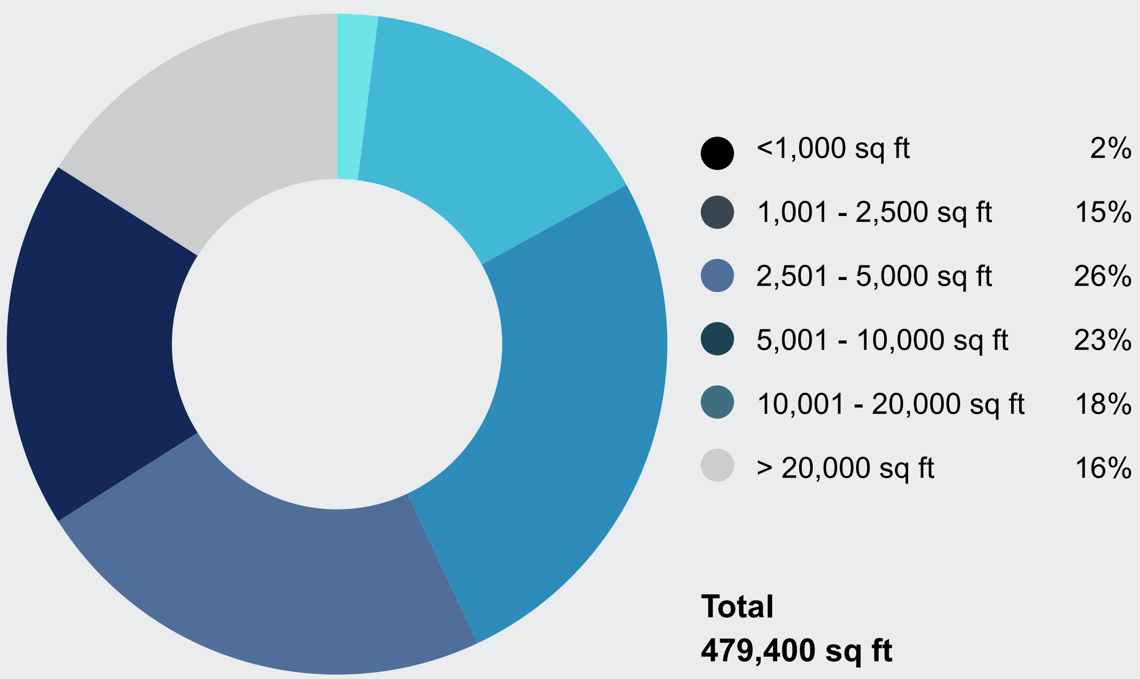


MAYFAIR SUPPLY

Availability (000's sq ft)



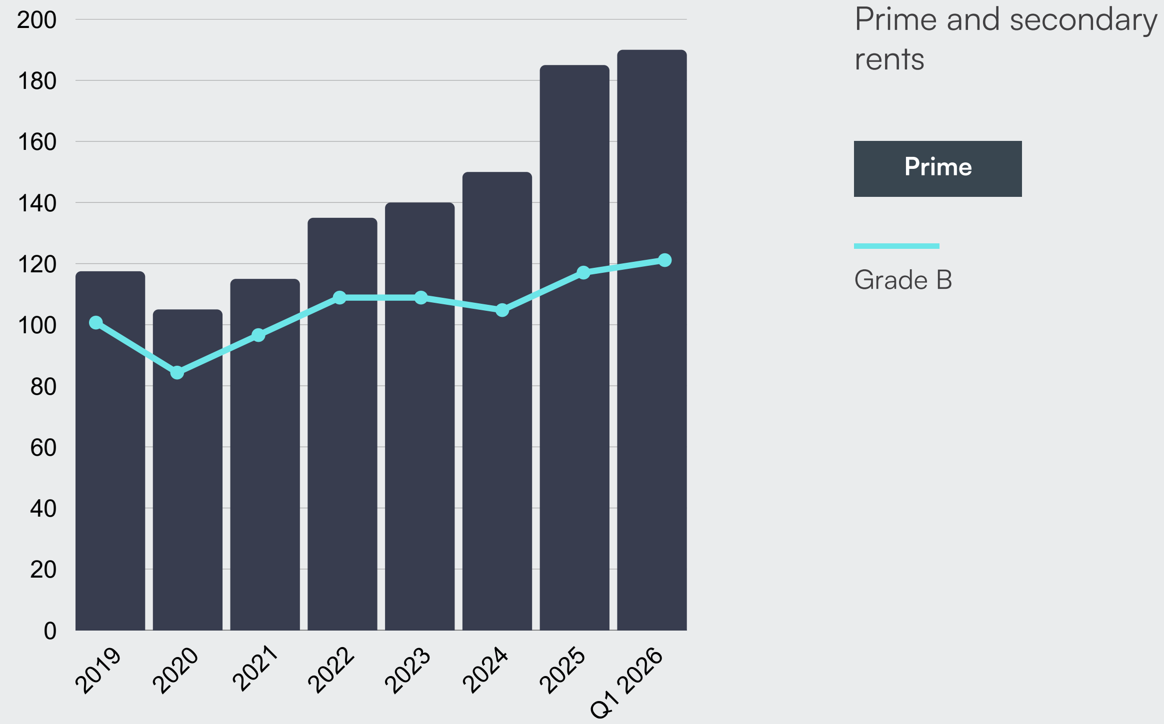
Availability by floor area Q1 2026



Total
479,400 sq ft

MAYFAIR RENTAL VALUES

Prime and secondary rents



Serviced office desk rates

	Lowest	Highest
Q1 2026	£280	£1,833
Q4 2025	£249	£1,300
Q3 2025	£199	£1,900
Q2 2025	£220	£1,300
Q1 2025	£195	£1,300

Mayfair Rental values

	PRIME	Grade B	Grade C
Q1 2026	£190.00	£100.00	£77.50
Q4 2025	£185.00	£97.50	£75.00
Change	2.7 %	2.6%	3.3%

ST JAMES'S

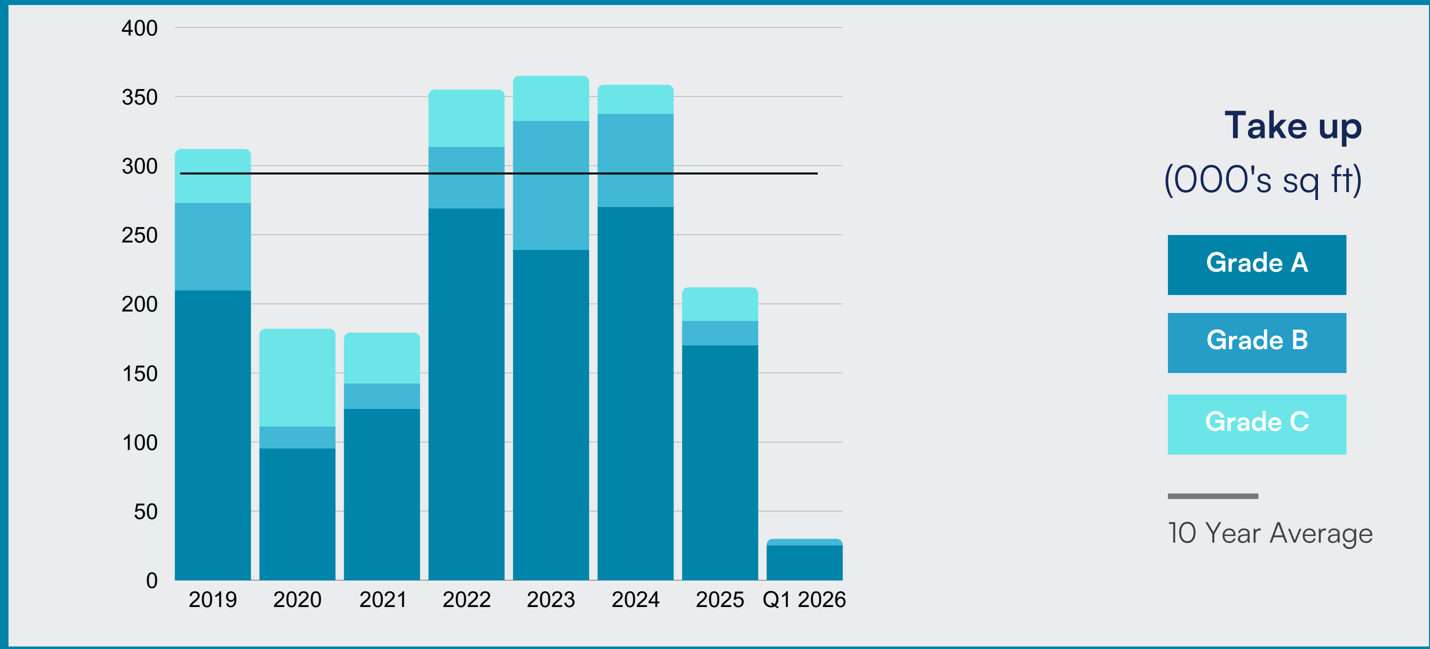
Office Market Q1 2026

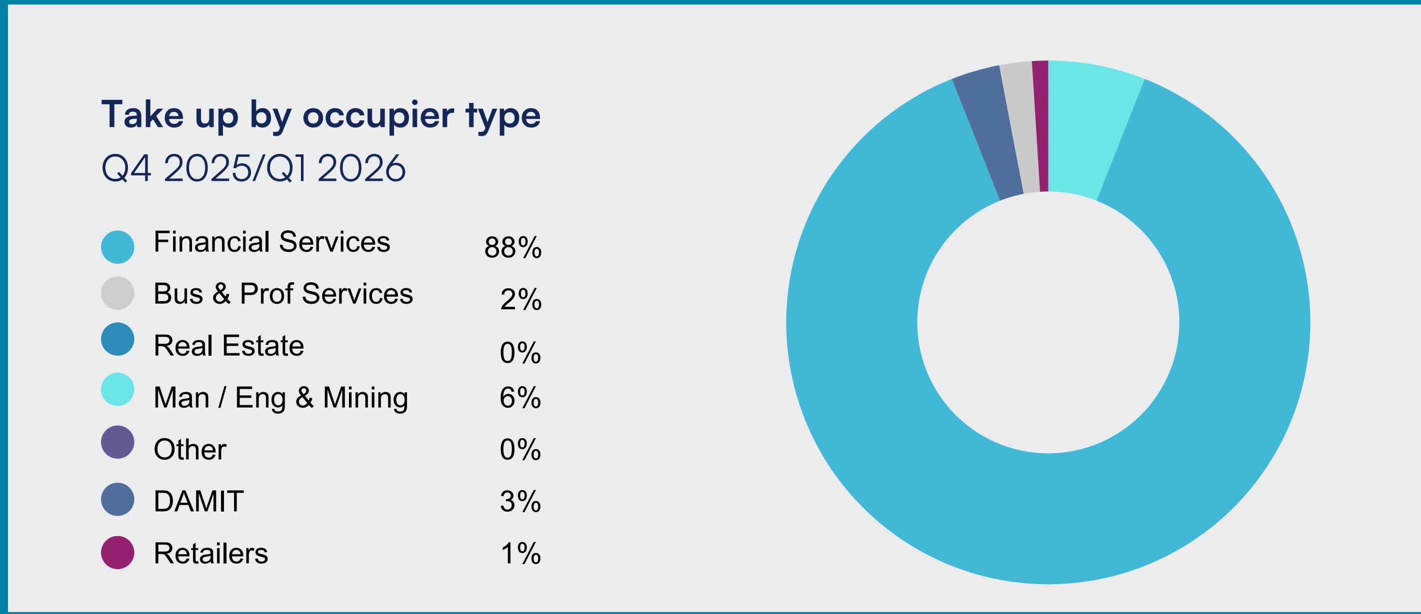
Leasing activity in the St James's market has remained subdued in Q1 2026, following a similar trend to the previous 12 months. Total take up was just under 30,000 sq ft in 10 transactions, with the majority of activity in lettings of 5,000 sq ft and below.

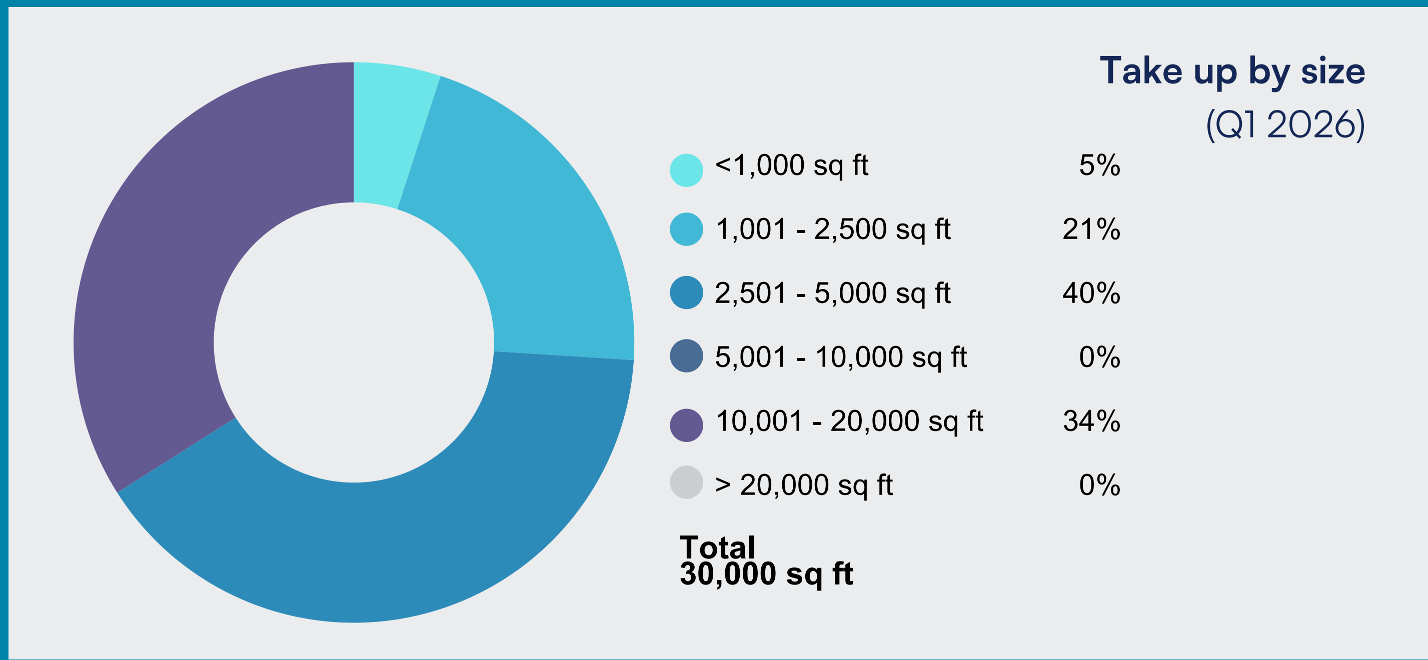
The largest deal in the quarter was the lease assignment to US private markets company Stepstone Group Inc 2 St Jame's Market. There were a number of lettings of floors at Great Portland Estate's recently launched 170 Piccadilly, which is the latest of its managed workspace options. The financial services sector continues to dominate in the St James's market, accounting for 80% of Q1 activity, similar to the previous 12 months.

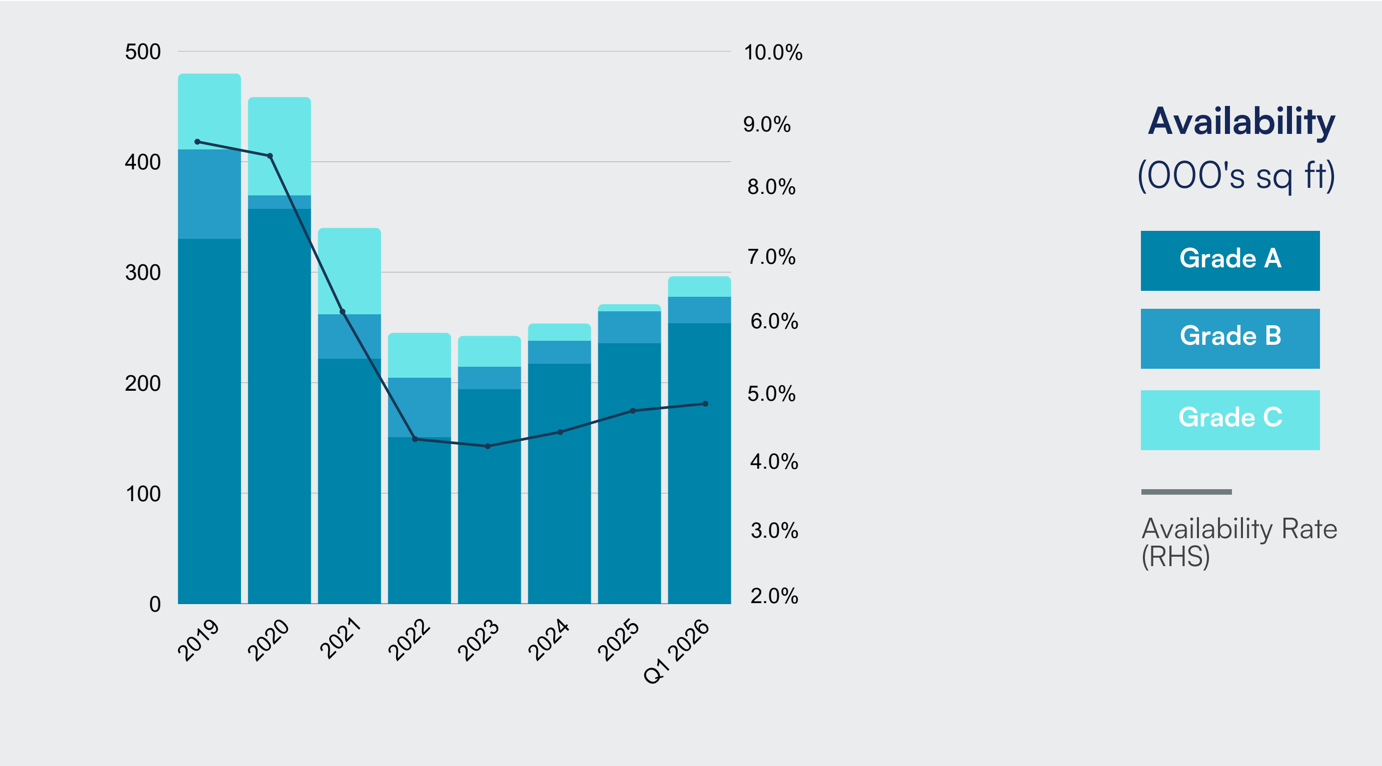
As with the Mayfair market, supply in St James's continues to be a major limitation to activity, with overall stock on the market up slightly at 296,170 sq ft. Grade A supply accounts for 86% of overall stock on the market. The largest building on the market is the newly refurbished New Zealand House at 80 Haymarket, which provides 48,665 sq ft of office space, whilst there is 29,700 sq ft across several floors at The Metcalf at 83 Pall Mall. The availability rate remains significantly below the long run average for the St James's market, standing at 4.9% compared to the long run level of 7.5%.

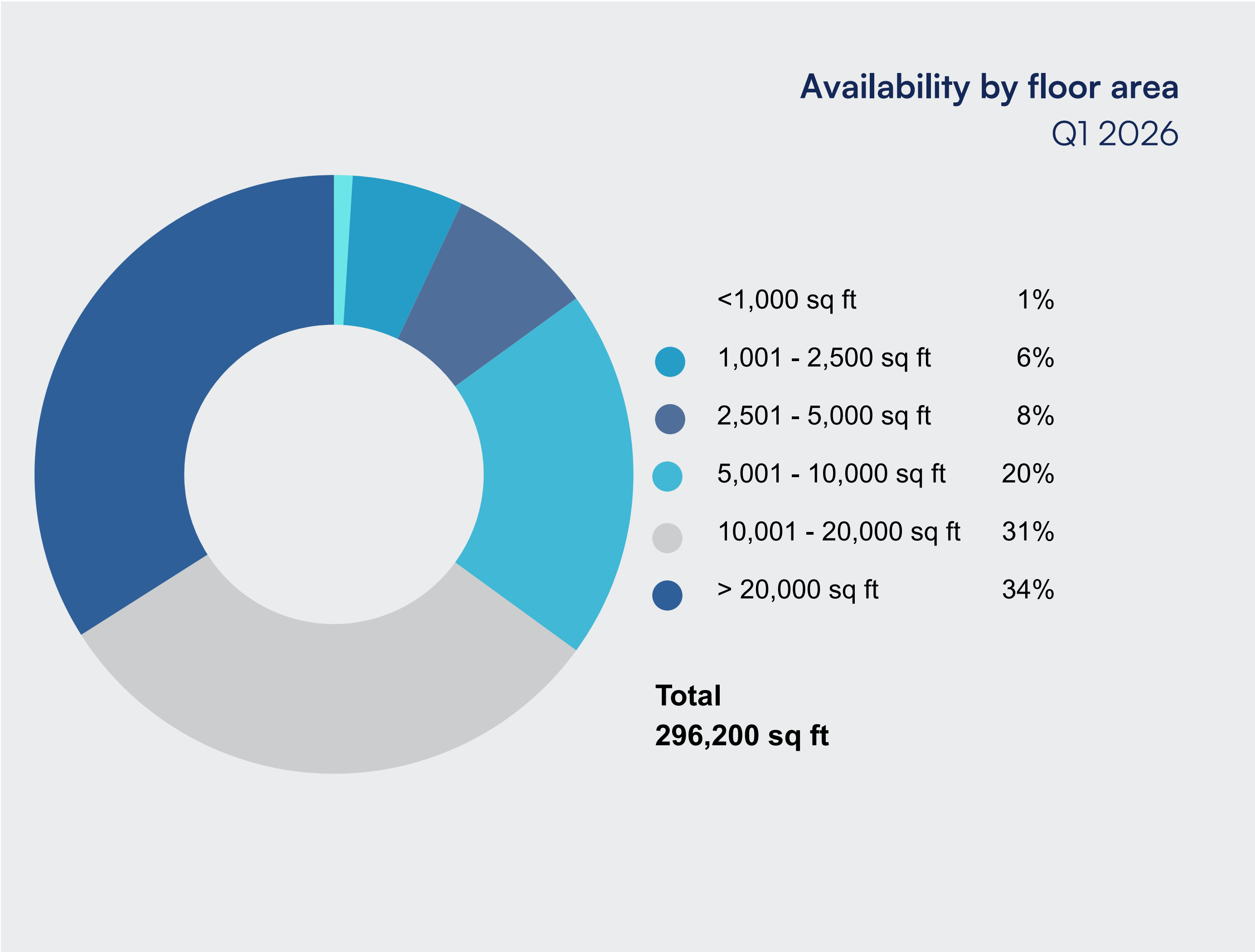
Prime rents in St James's moved to a new high in Q1 2026 having moved to £175 per sq ft, having moved up by 12.9% over the past 12 months. Significant shortages of space exist in smaller size bands and this is expected to exert upward pressure on rents in the coming months. Rents on Grade B and Grade C space also increased, moving to £95.00 per sq ft and £77.50 per sq ft respectively.

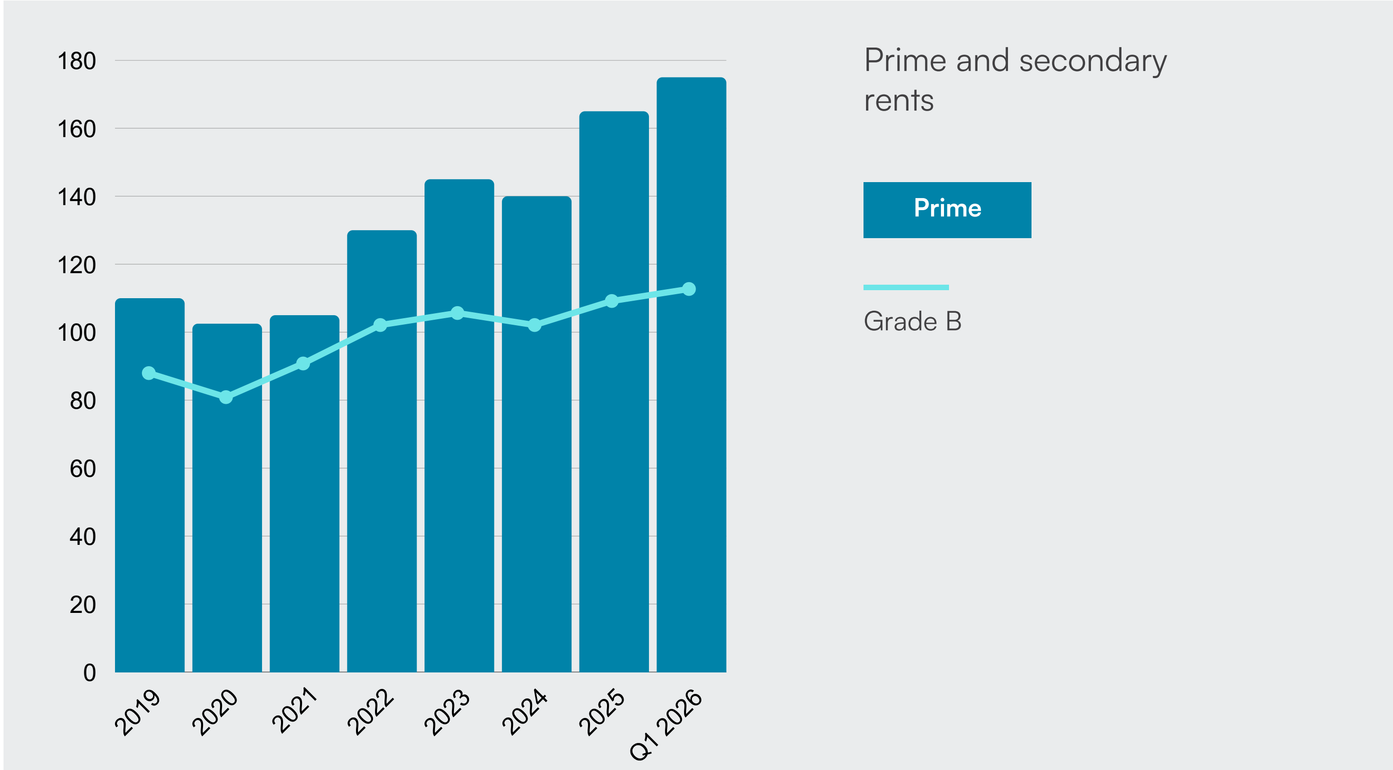












Serviced office desk rates

	Lowest	Highest
Q1 2026	£341	£2,041
Q4 2025	£340	£2,041
Q3 2025	£340	£2,041
Q2 2025	£540	£2,200
Q1 2025	£120	£2,200

St James's Rental values

	PRIME	Grade B	Grade C
Q1 2026	£175.00	£95.00	£77.50
Q4 2025	£165.00	£92.50	£75.00
Change	6.1 %	2.7%	3.3%

MARYLEBONE

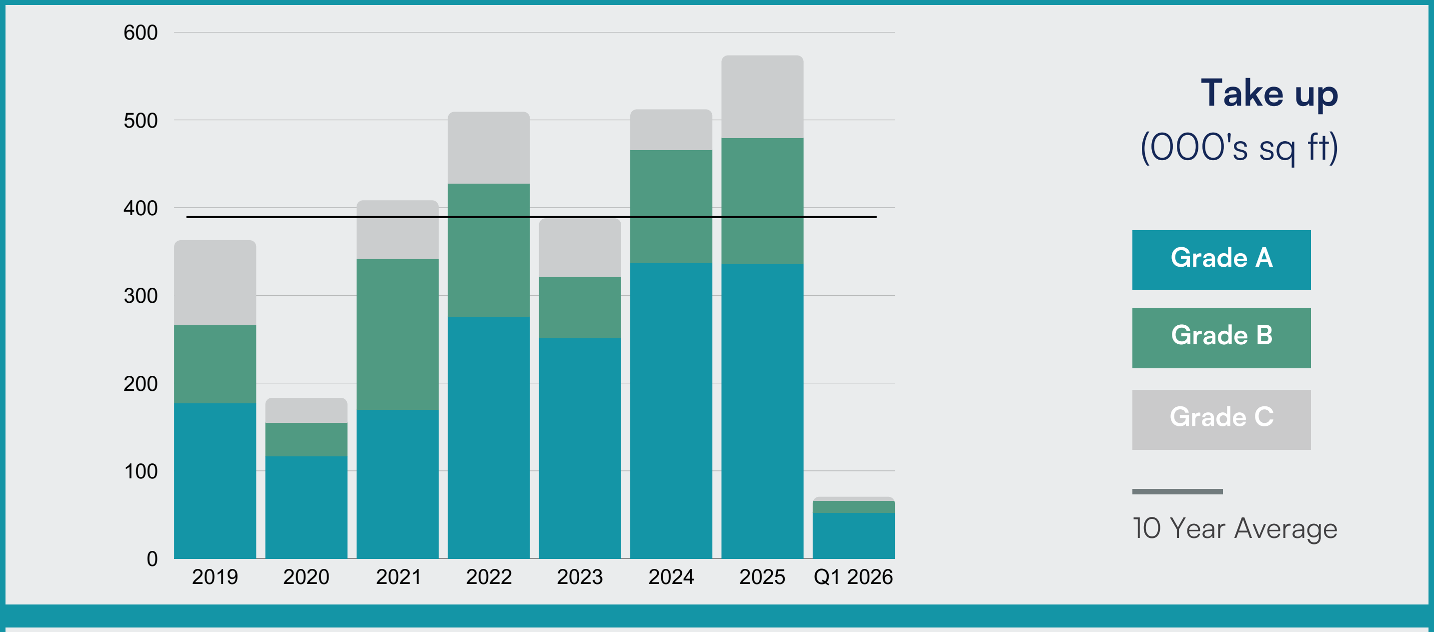
Office Market Q1 2026

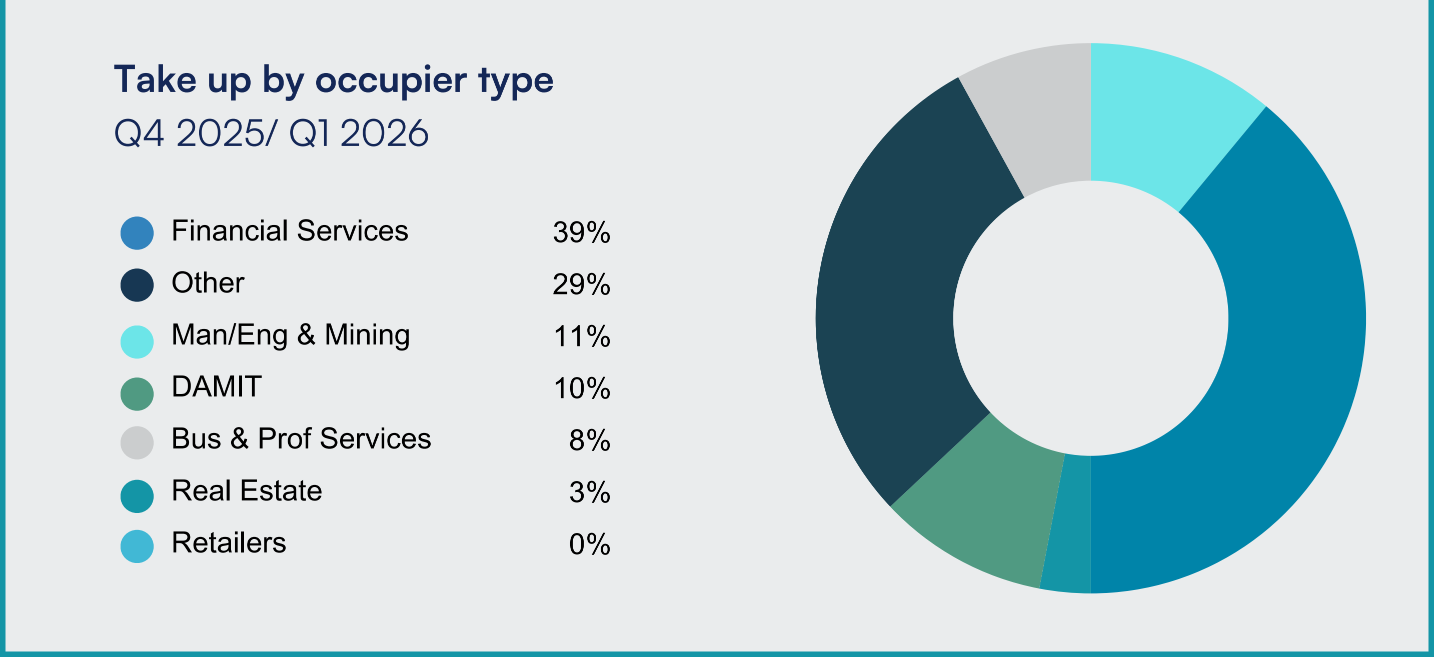
Take up slowed in the Marylebone market in Q1 2026, following the strongest letting market in 14 years recorded in 2025. The first three months of 2026 has seen take up of 70,430 sq ft in 22 transactions, with only one deal completing above 20,000 sq ft.

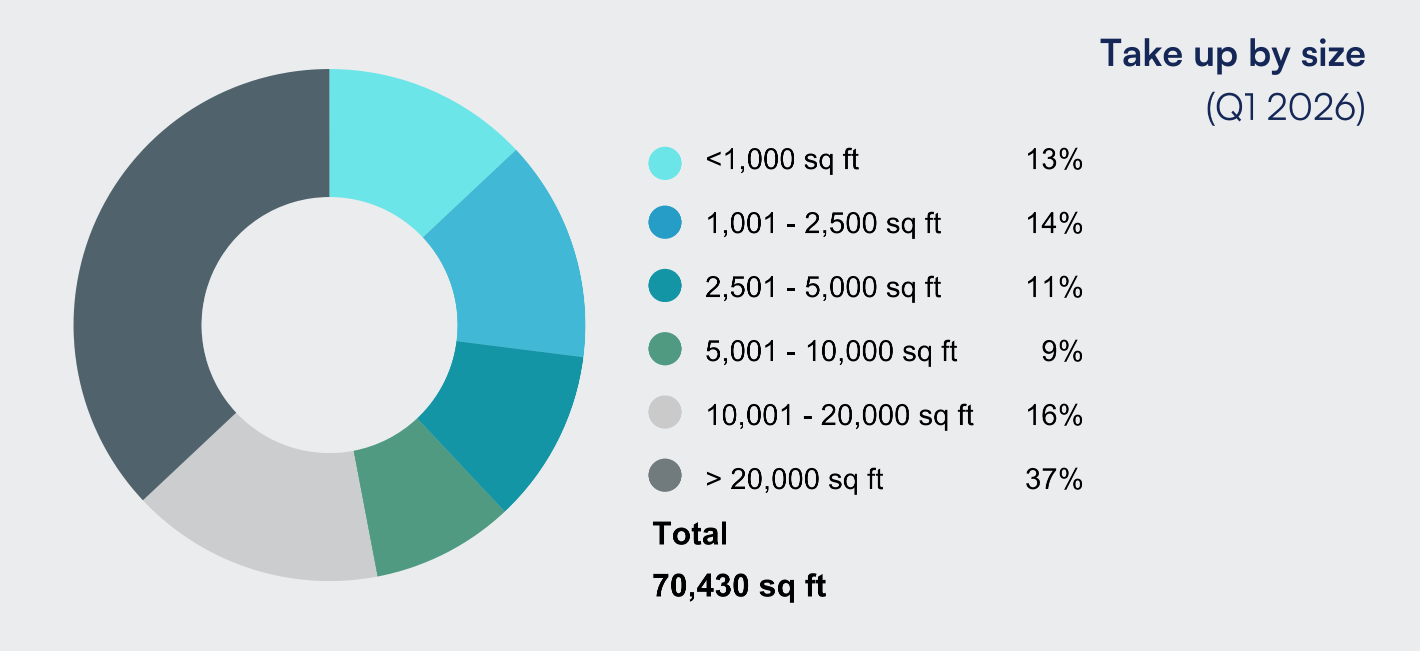
The largest deal in Q1 was the 26,000 sq ft letting to 10M Healthcare at The Howard de Walden Estate's 1 Harley Street. The property will be transformed into a new £100m ambulatory (same day) surgery centre and is due to open to patients in Q4 2026. The other major transaction in the quarter was the letting to credit rating agency Kroll Bond Rating Agency, which took 11,425 sq ft at Marble Arch House, 66 Seymour Street.

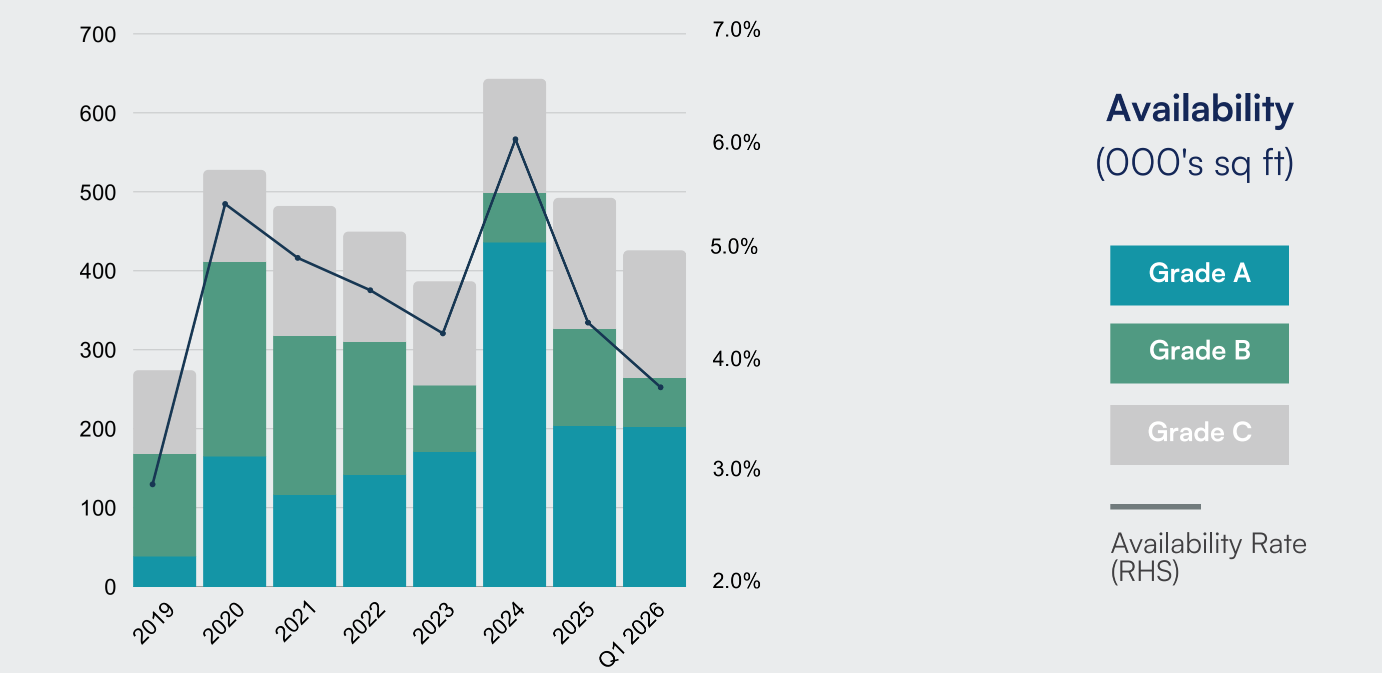
The strong level of activity over the past few years has seen supply tighten, with availability falling to the lowest level in the post pandemic era at 426,030 sq ft at the end of March 2026. Grade A supply remains restricted and represents only 48% of space on the market (202,540 sq ft). Three larger buildings account for 52% of Grade A supply, Princeton Investments 49, Nottingham Place, which provides 39,200 sq ft of space, with a further 35,800 sq ft at Redevco's recently completed 1 James Street. The final larger building provides just under 30,000 sq ft of fitted space at 40 Portman Square, although 15,825 sq ft remains under offer. The availability rate in Marylebone is now one of the lowest amongst the West End sub markets, standing at 3.7%, below the long run average for the area of 4.2%.

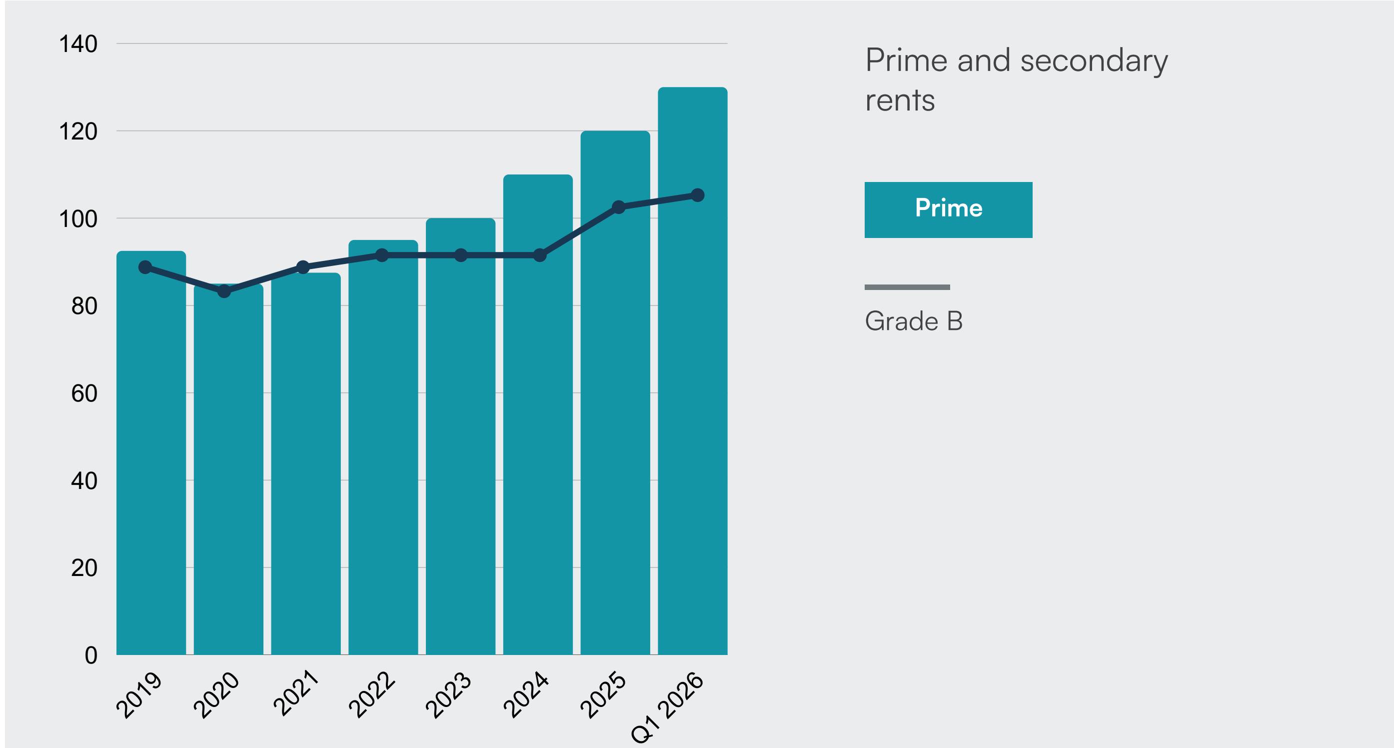
Prime rents moved to a new peak level of £130.00 per sq ft in Q1 2026, with rents having risen by 13.0% over the past 12 months and by 57.6% over the past five years (equivalent to 9.5% per annum). Whilst the main focus of activity has been on pre lets and new Grade A space, rents on Grade B and C space have also been driven up, rising to £90.00 per sq ft and £75.00 per sq ft respectively.

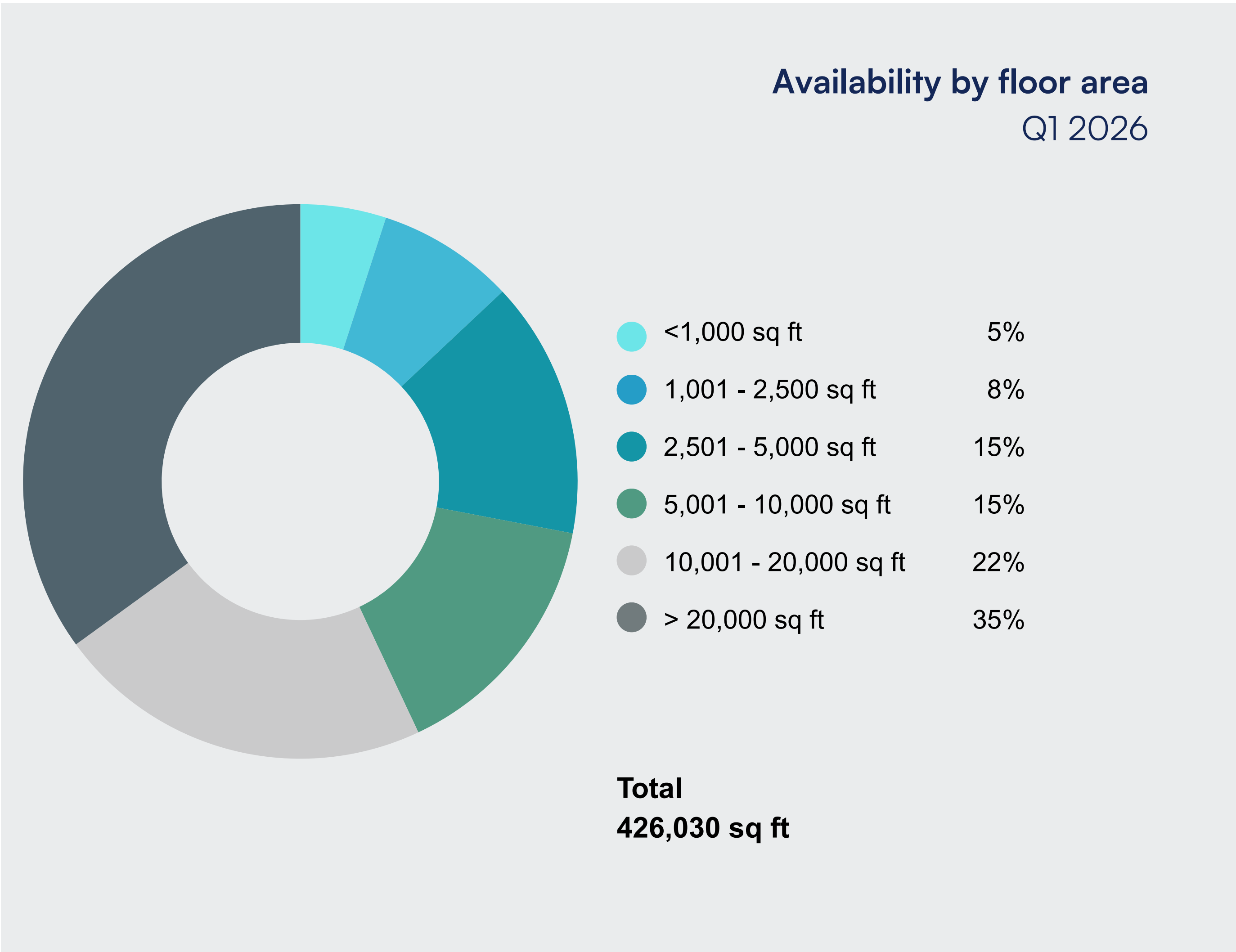












Serviced office desk rates

	Lowest	Highest
Q1 2026	£389	£1,100
Q4 2025	£389	£1,100
Q3 2025	£350	£1,100
Q2 2025	£220	£1,100
Q1 2025	£220	£1,200

Marylebone Rental values

PRIME	Grade B	Grade C
Q1 2026 £130.00	Q1 2026 £90.00	Q1 2026 £75.00
Q4 2025 £120.00	Q4 2025 £87.50	Q4 2025 £70.00
Change 8.3 % ↗	Change 2.9% ↗	Change 7.1% ↗

FITZROVIA

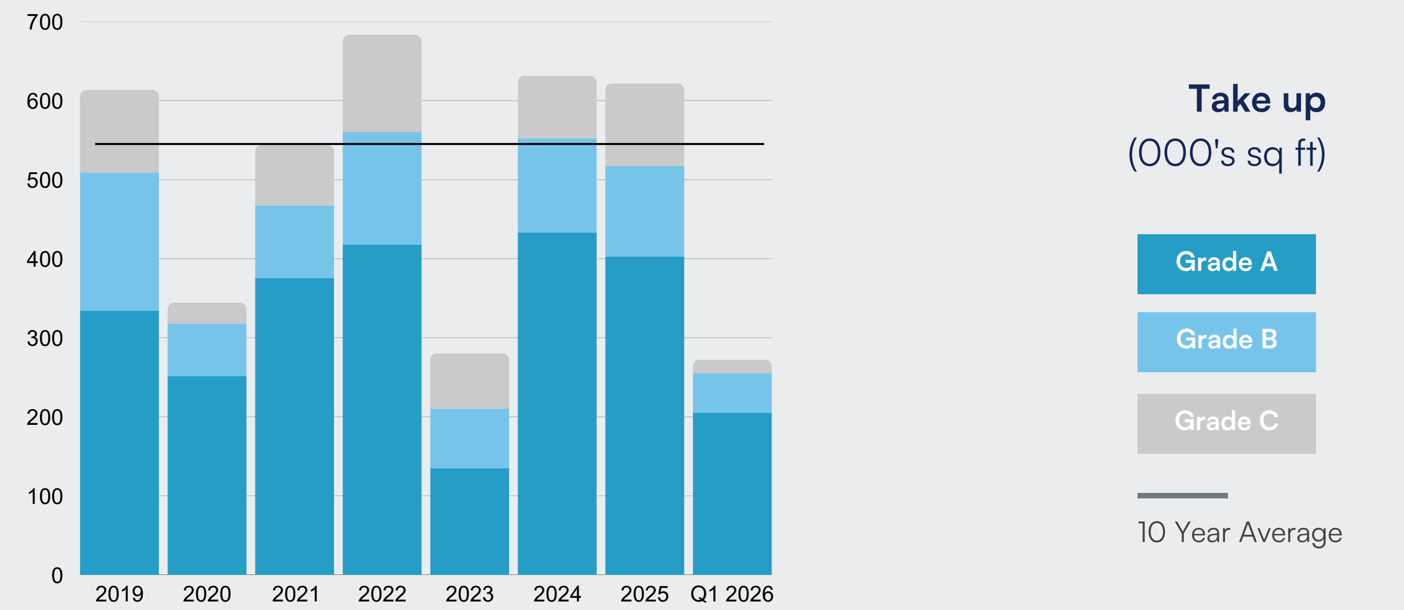
Office Market Q1 2026

Fitzrovia has been the strongest market in the Core West End in the first three months of 2026, with take up of 272,110 sq ft in 32 deals. Activity in Fitzrovia in Q1 accounts for 42% of the leasing activity in the Core West End markets.

Take up in Q1 2026 was dominated by the pre let of Derwent London’s Network building at 10 Howland Street, with US artificial intelligence group Databricks taking the entire property (136,300 sq ft). The other major letting in the quarter was the 22,700 sq ft letting to pharmaceutical group Galderma UK at 237-247 Tottenham Court Road.

Supply in Fitzrovia has moved higher in the first three months of the year, rising to 907,370 sq ft, driven by an increase in Grade B and C space increasing in the final quarter. Grade A availability continues to account for 48% of overall availability, with four large buildings dominating the supply picture, accounting for 74% of Grade A space on the market and 35% of overall availability. The largest space on the market is Rathbone Square, which has a total of 156,000 sq ft still available, whilst the refurbishment of 15 Fitzroy Street provides a further 58,900 sq ft. The other major new build scheme is M&G’s The Ribbon on Wells Street, which provides 69,800 sq ft of space. The availability rate remains one of the highest amongst the West End sub markets at 9.2%.

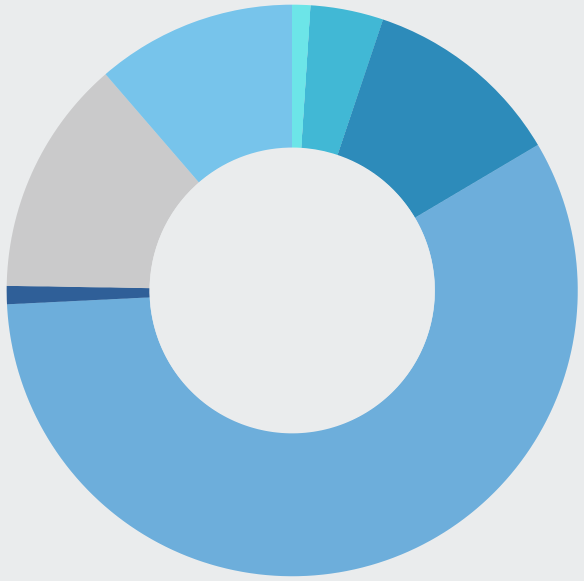
Prime rents in Fitzrovia moved up to £115 per sq ft on the back of very strong levels of activity in Q1 2026. The good levels of supply may serve to hold back similar growth in grade B and grade C space despite the high levels of demand. Rents on Grade B space also moved higher, rising to £85.00 per sq ft, whilst values on Grade C space edged up to £70.00 per sq ft.

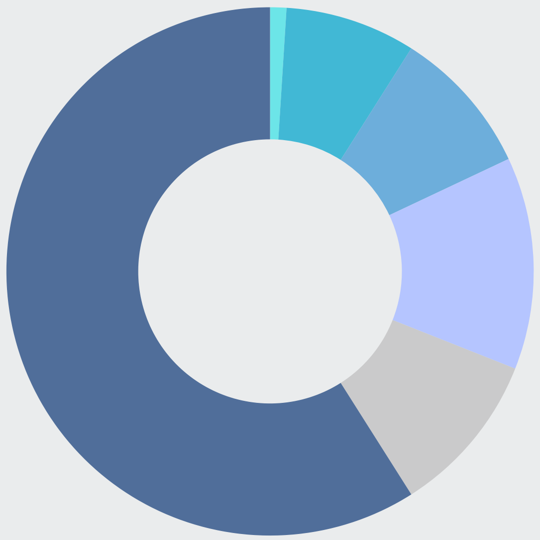


Take up by occupier type

Q4 2025/Q1 2026

DAMIT	56%
Retail	14%
Bus & Prof Services	13%
Real Estate	11%
Financial Services	4%
Other	1%
Man/Eng & Mining	1%





Take up by size

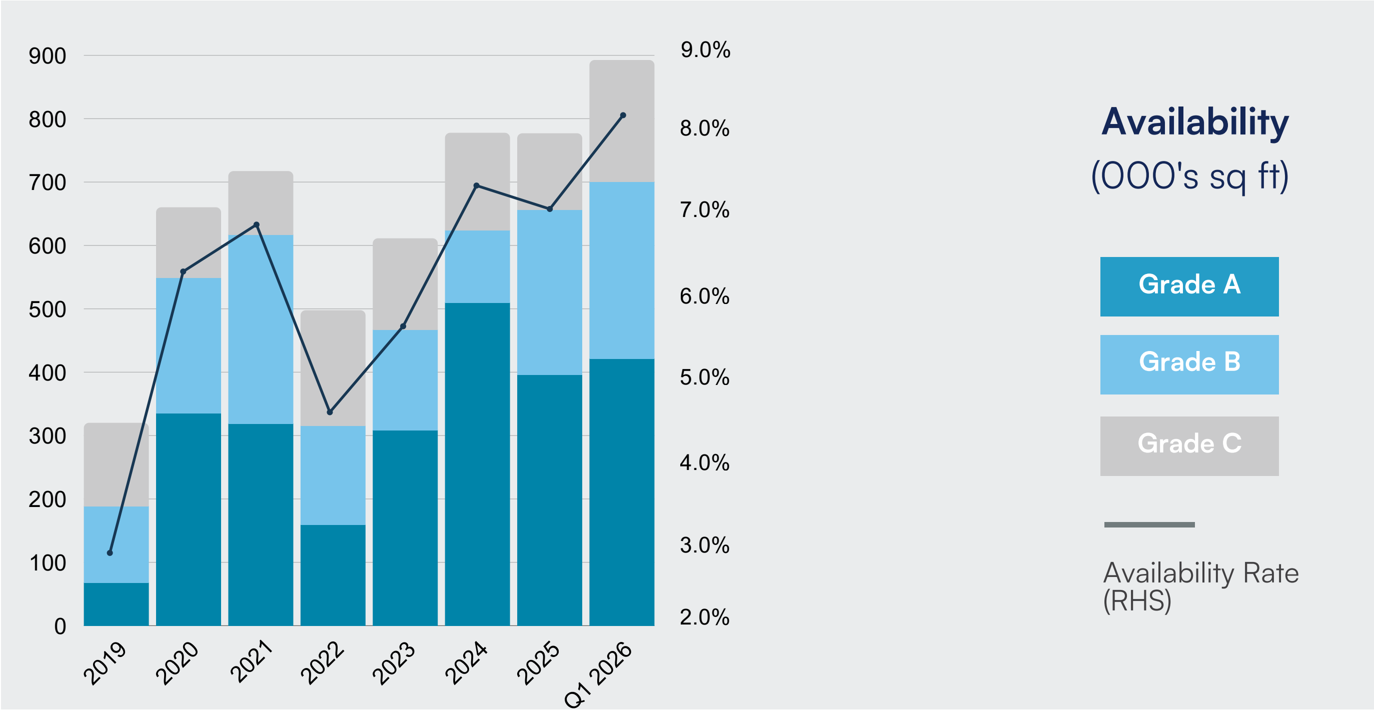
(Q1 2026)

<1,000 sq ft	1%
1,001 - 2,500 sq ft	8%
2,501 - 5,000 sq ft	9%
5,001 - 10,000 sq ft	13%
10,001 - 20,000 sq ft	10%
> 20,000 sq ft	59%

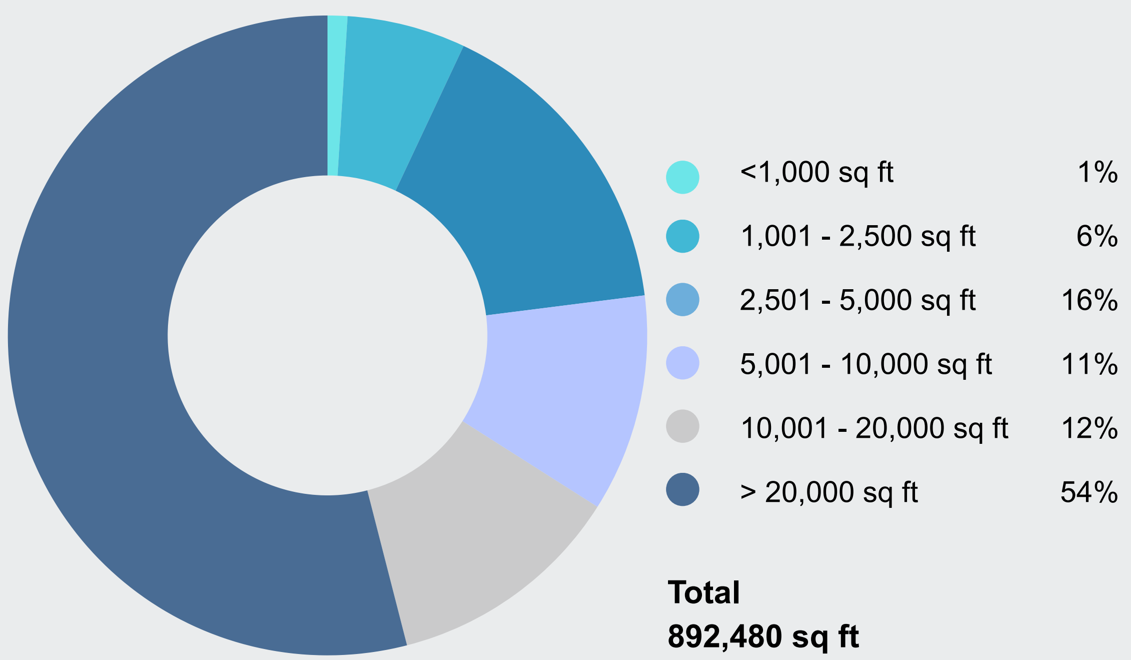
Total

272,110 sq ft

FITZROVIA SUPPLY

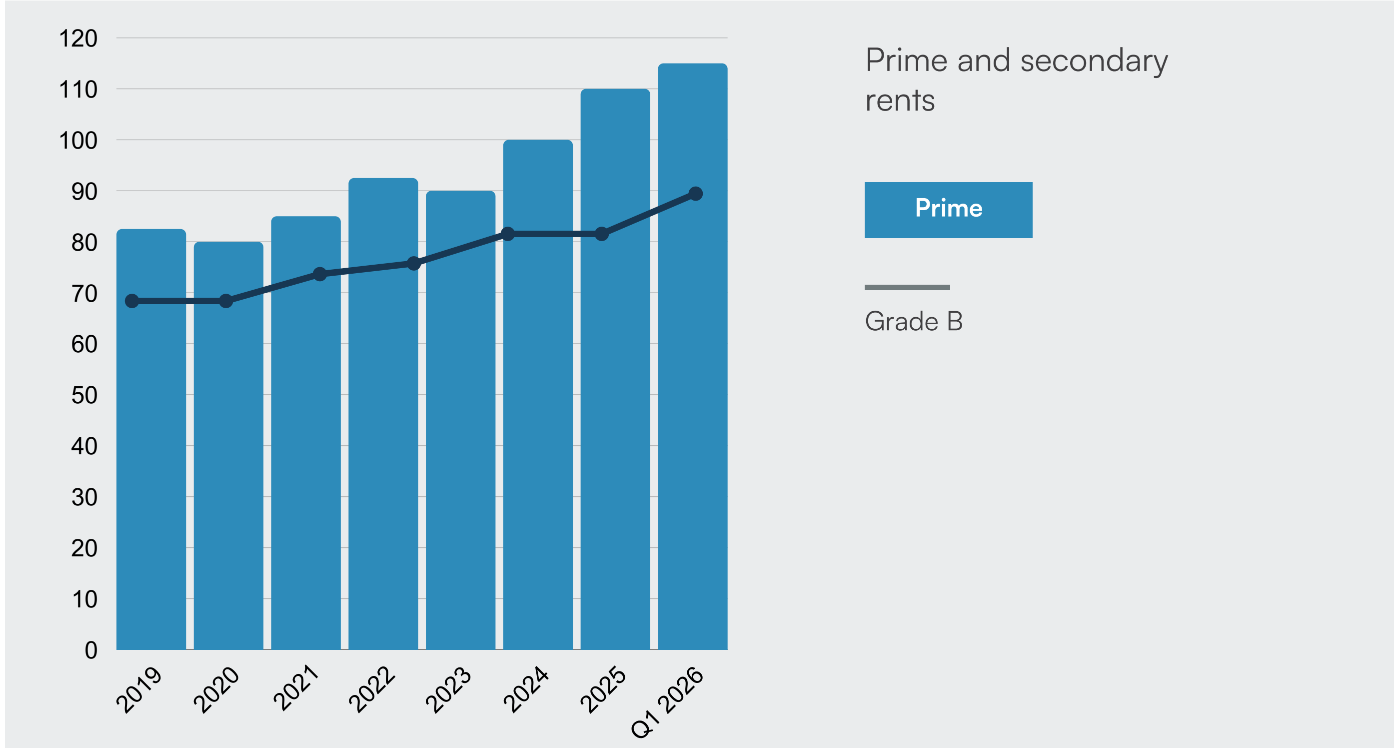


Availability by floor area
Q1 2026



Total
892,480 sq ft

FITZROVIA RENTAL VALUES



Serviced office desk rates

	Lowest	Highest
Q1 2026	£200	£1,600
Q4 2025	£200	£1,600
Q3 2025	£200	£1,600
Q2 2025	£200	£1,600
Q1 2025	£200	£1,600

Fitzrovia Rental values

	PRIME	Grade B	Grade C
Q1 2026	£115.00	£85.00	£70.00
Q4 2025	£110.00	£82.50	£65.00
Change	4.5 % ↗	3.0% ↗	7.7% ↗

SOHO

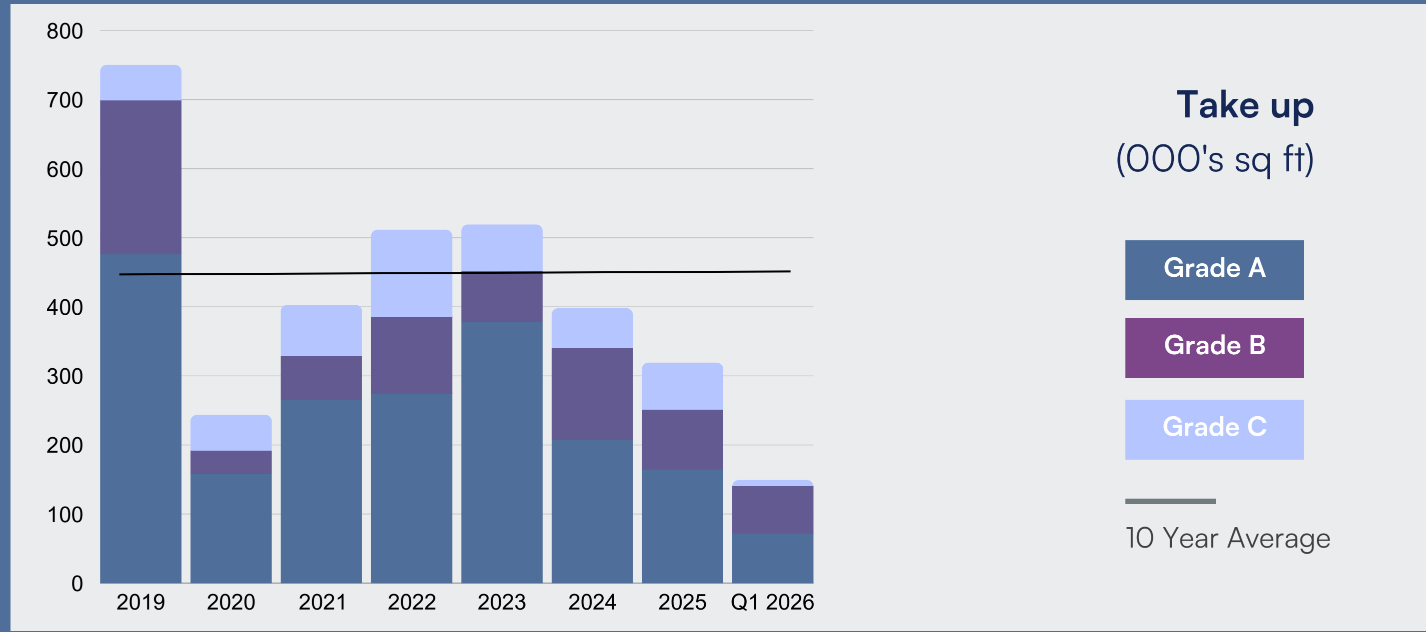
Office Market Q1 2026

Take up in Soho rebounded strongly in Q1 2026, with activity in the first three months of the year amounting to 149,250 sq ft in 26 transactions. Activity in the first three months of the year was equivalent to 47% of the full year figure in the previous 12 months and signifies a strong bounce back in leasing activity after two quiet years.

The most significant letting in Q1 2026 was the 46,385 sq ft letting to Veriton Advisors at The Lucent on Sherwood Street. The fund management group first moved to the scheme in 2024 but has increased its footprint at the building. The second largest deal in the quarter followed a similar trend, with Ares Fund Management taking 21,170 sq ft at 25 Argyll Street ahead of its move to One Hanover Street in 2028.

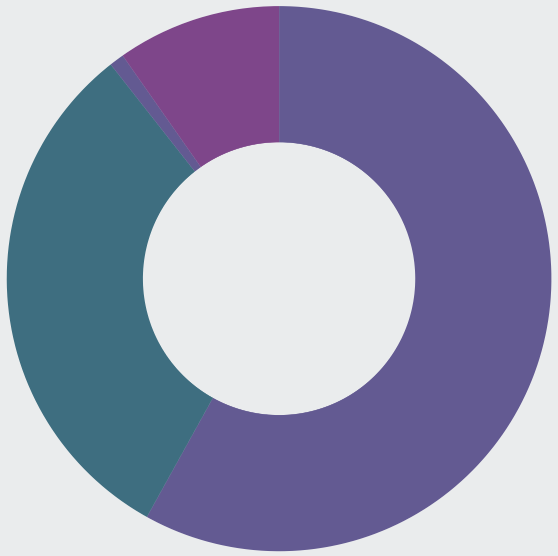
Availability in Soho moved higher in the first three months of the year, with the new scheme at 28-40 Argyll Street adding 94,200 sq ft to the overall supply figure.The scheme is not due to complete until Q2 2026 but the arrival brings the overall availability in Soho to 487,540 sq ft. As a result, Grade A supply has increased and now accounts for just under 60% of overall availability. Two buildings account for 65% of overall Grade A availability, with the 95,700 sq ft Film House on Wardour Street and 94,200 sq ft at the newly refurbished 28-40 Argyll Street. The availability rate has now moved back up to 5.8% and is above the long run average for the Soho market, which stands at 5.2%.

Prime rents in Soho moved to a new peak level of £125 per sq ft, with the tight supply conditions pushing up values. Rents on Grade B and Grade C space also edged higher, moving to £87.50 per sq ft and £72.50 per sq ft, setting new highs for both grades of space.

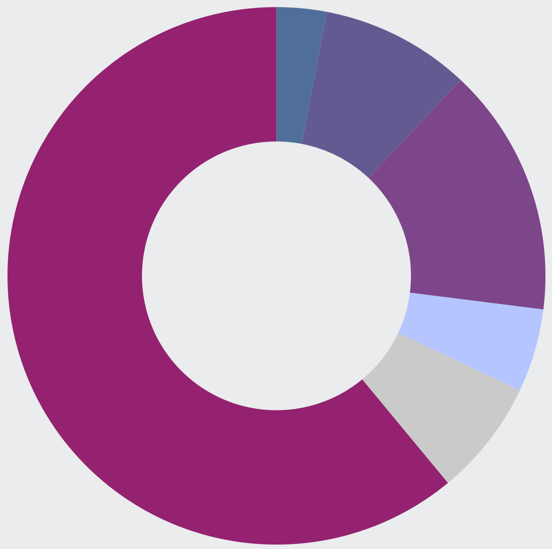


Take up by occupier type
Q4 2025/ Q1 2026

Financial Services	50%
DAMIT	30%
Bus & Prof Services	12%
Real Estate	5%
Retailers	2%
Other	1%
Man / Eng	0%



Take up by size
(Q1 2026)



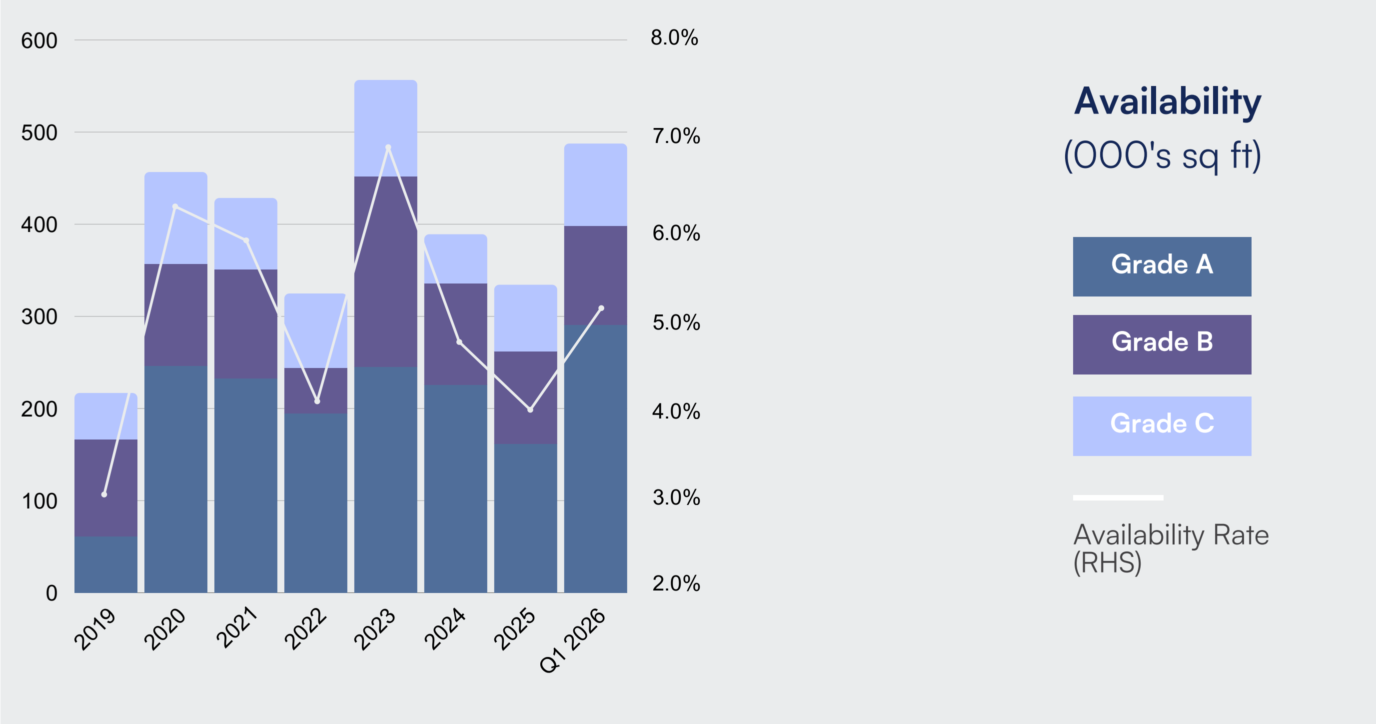
<1,000 sq ft	3%
1,001 - 2,500 sq ft	9%
2,501 - 5,000 sq ft	15%
5,001 - 10,000 sq ft	5%
10,001 - 20,000 sq ft	7%
>20,000 sq ft	61%

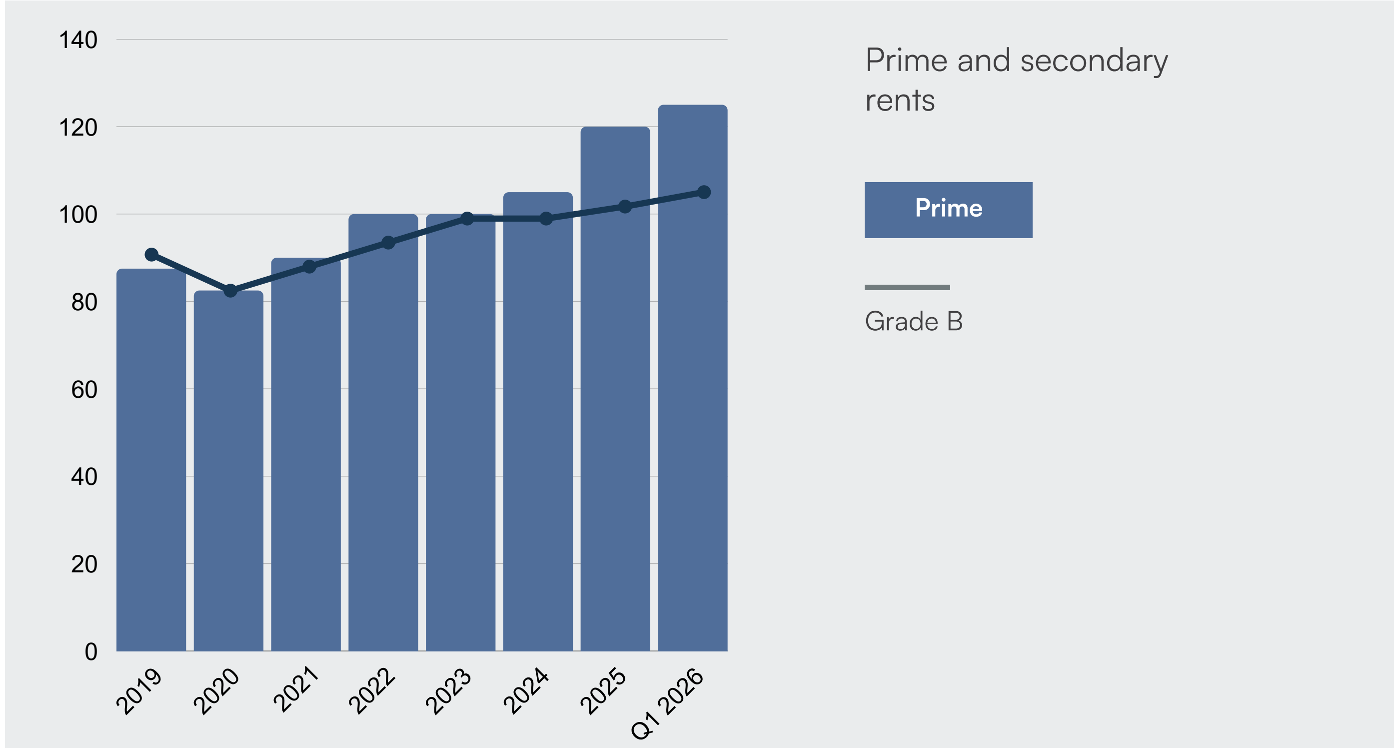
Total

149,250 sq ft

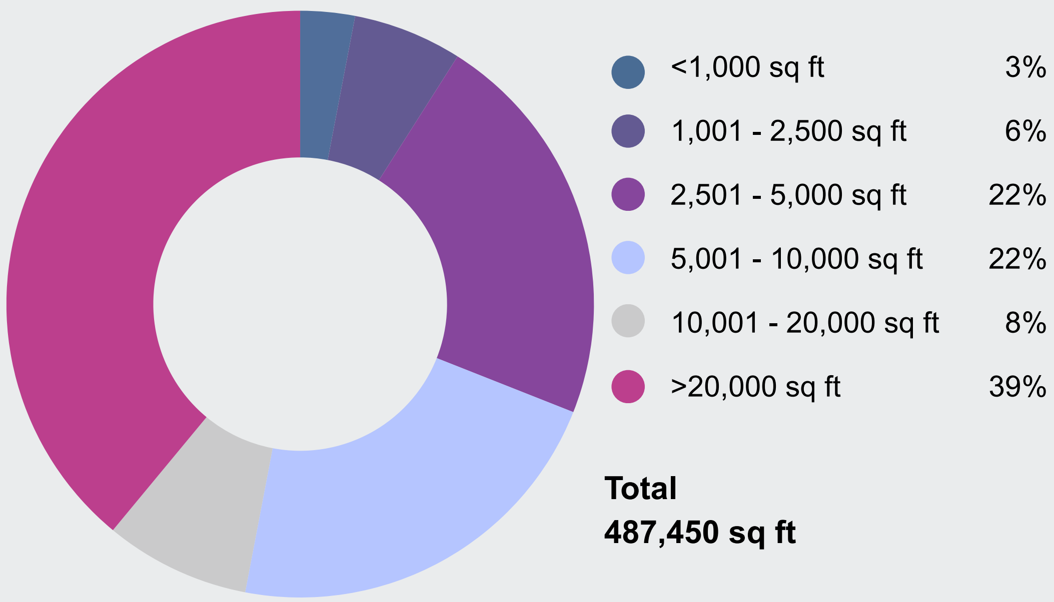
SOHO SUPPLY

SOHO RENTAL VALUES





Availability by floor area
Q1 2026



Total
487,450 sq ft

Serviced office desk rates

	Lowest	Highest
Q1 2026	£199	£1,900
Q4 2025	£199	£1,900
Q3 2025	£199	£1,900
Q2 2025	£225	£1,900
Q1 2025	£150	£1,900

Soho Rental values

	PRIME	Grade B	Grade C
Q1 2026	£125.00	£87.50	£72.50
Q4 2025	£120.00	£85.00	£70.00
Change	4.2 %	2.9%	3.6%

SW

COVENT GARDEN

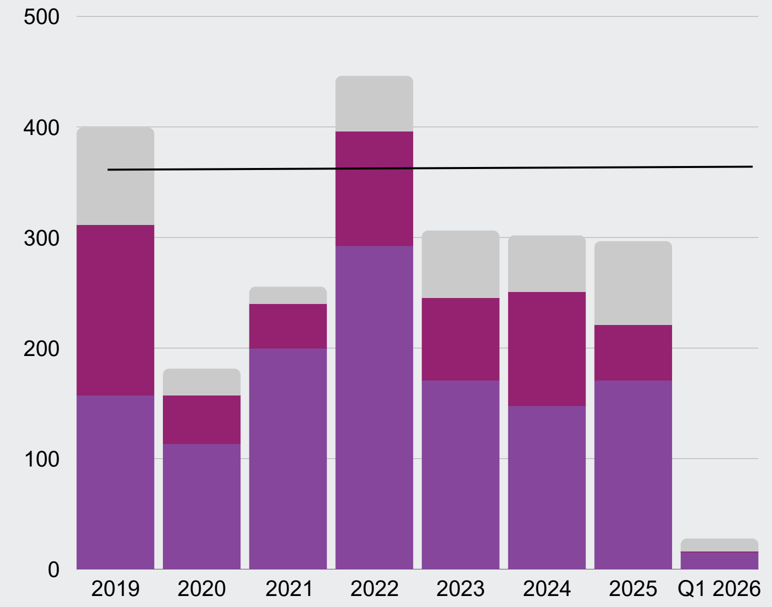
Office Market Q1 2026

Take up in the Covent Garden market has remained below trend levels over the past three years and the first three months of 2026 has followed trend with total activity of just below 30,000 sq ft in 6 transactions. Lettings have been focused on the Creative sector (DAMIT), which has accounted for 71% of activity over the past six months.

There was only one deal above 10,000 sq ft in the first quarter, the 11,160 sq ft letting to AI group Encord at Lupus House on Macklin Street. There were also a number of lettings at the recently refurbished 33 Kingsway, totalling 15,300 sq ft, with 12,600 sq ft still available.

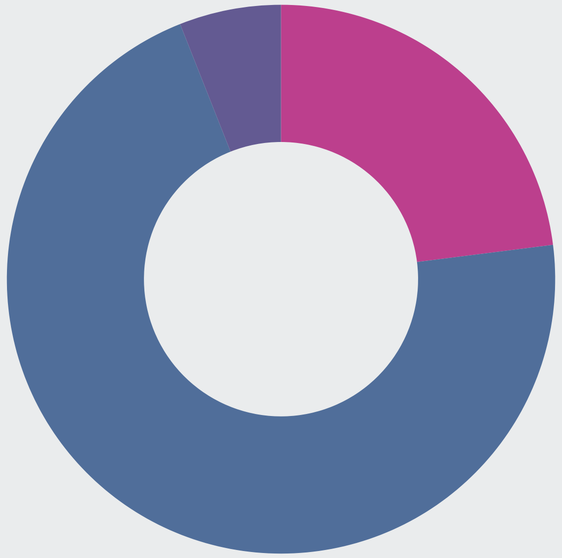
The supply picture in Covent Garden fell back to its lowest level in two years, reducing to 707,000 sq ft driven largely by a number of buildings being withdrawn from the market. This is either being driven by 'grey space' being re occupied by tenants or buildings being readied for refurbishment. Availability is dominated by the three major new schemes in the area; The Acre, where 147,200 sq ft remains on the market, Space House on Kemble Street, where 164,100 sq ft is available and 190 High Holborn, which provides 93,000 sq ft of space. Overall Grade A supply accounts for 71% of current availability. The availability rate in Covent Garden is the highest amongst the West End sub markets, standing at 10.1%, compared to the average across the core West End markets of 5.9%.

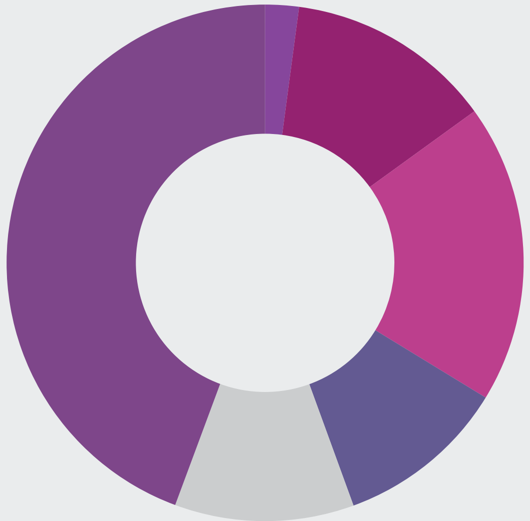
Covent Garden prime rents moved up to £100.00 per sq ft, the last of the West End sub markets to reach this threshold. This pushes growth in Covent Garden rents to 11.1% over the past 12 months, the strongest growth recorded over the past decade. Rents on Grade B and Grade C space also moved up to £80.00 per sq ft and £67.50 per sq ft respectively.



Take up by occupier type
Q4 2025/Q1 2026

DAMIT	71%
Retailers	23%
Real Estate	6%
Bus & Prof Services	0%
Other	0%
Financial Services	0%
MAN/ Eng	0%

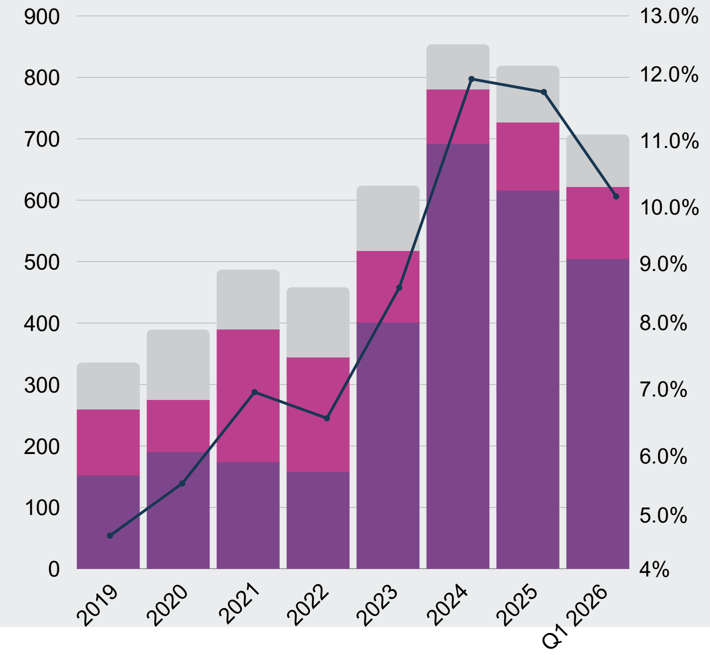




Take up by size
Q1 2026

<1,000 sq ft	1%
1,001 - 2,500 sq ft	11%
2,501 - 5,000 sq ft	0%
5,001 - 10,000 sq ft	48%
10,001 - 20,000 sq ft	40%
> 20,000 sq ft	0%

Total
27,810 sq ft



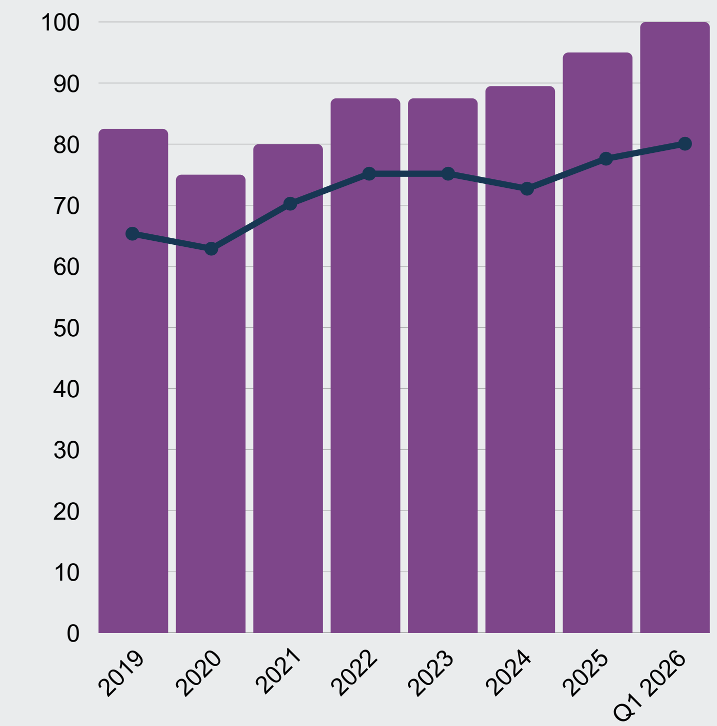
Availability
(000's sq ft)

Grade A

Grade B

Grade C

Availability Rate (RHS)

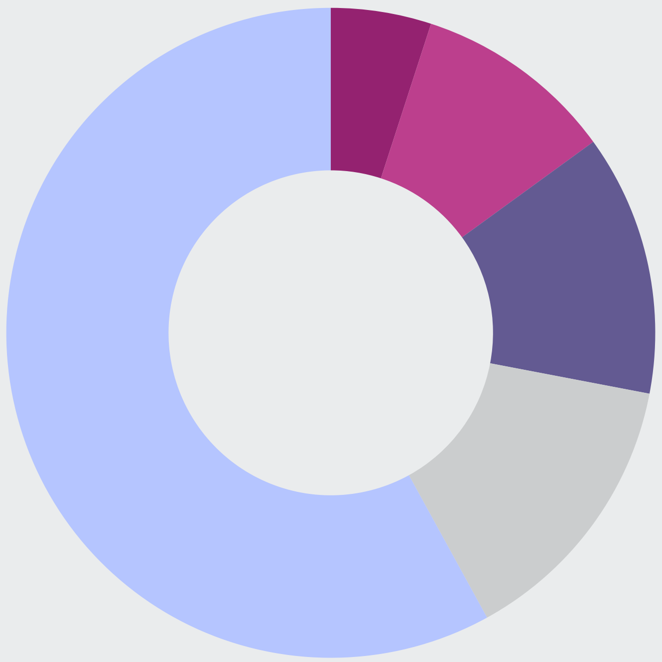


Prime and secondary rents

Prime

Grade B

Availability by floor area
Q1 2026



<1,000 sq ft	0%
1,001 - 2,500 sq ft	5%
2,501 - 5,000 sq ft	10%
5,001 - 10,000 sq ft	13%
10,001 - 20,000 sq ft	14%
>20,000 sq ft	58%

Total
707,000 sq ft

Serviced office desk rates

	Lowest	Highest
Q1 2026	£179	£1,192
Q4 2025	£160	£1,192
Q3 2025	£91	£1,192
Q2 2025	£100	£850
Q1 2025	£128	£850

Covent Garden Rental values

	PRIME	Grade B	Grade C
Q1 2026	£100.00	£80.00	£67.50
Q4 2025	£95.00	£77.50	£65.00
Change	5.3 % ↗	3.2% ↗	3.8% ↗

Sanderson Weatherall

About Sanderson Weatherall

Owned and run by a team of commercial property experts, we are a long-established property consultancy that's a popular alternative to the industry's larger international firms. With a history in property consultancy dating back to 1833, we've adapted and evolved to be one of the leading SMEs in the industry.

Corporation

A Certified B Corp

We continually work to improve the working lives of our employees, support our local communities, and reduce our impact on the environment. We are proud to be B Corp certified, and part of a business community which shares our vision to redefine what makes good business.

Talented team

We have 230 talented people in our team and some of the most skilled in the industry. People are at the core of our ethos at Sanderson Weatherall, which is the key to our success. We've built a reputation for the care we put into looking after our people and our clients. Our partners get stuck into the day job just as much as the rest of the team.

Delivering excellence

We strive to deliver excellence. Securing ISO 9001, ISO 14001, ISO 45001, ISO 27001, and Cyber Essentials Plus have all been a way for us to demonstrate our high standard of service and deliver our award-winning advice to businesses of all sizes.

Services

Through our team of talented Chartered Surveyors we also offer a full range of owner and occupier property services.

Architecture	Agency	Asset Based Lending	Asset Advisory & Recovery	Building Consultancy
Lease Consultancy	Property & Asset Management	Sustainability Consultancy	Valuation	Auctions

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