

# SOUTH EAST OFFICE INVESTMENT AND LEASING MARKETS Q1/2024



## INVESTMENT

**£270m transacted**  
24 transactions in Q1



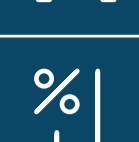
**2.0m sq ft traded**  
10% increase on Q4



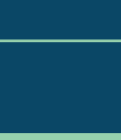
**£1.56bn transacted in 2023**  
£2.77bn in 2022 & £4.05bn in 2021



**£8.75m average transaction size**  
(excluding the single highest transaction)



**35% to residential developers**



**Prime yields at 7.25% NIY**



"Q1 saw some notable office transactions in Guildford (Investec), Crawley (Mirabaud AM) and Reading (AEW) although the trend for alternate use continues with residential conversion accounting for 35% of the total transaction volume in the quarter. That said, we are seeing some very positive activity in the leasing market and evidence of rental growth for the best buildings, and this is not going unnoticed by investors. We anticipate increased momentum in the office sector as the year unfolds, especially buoyed by a potential fall in the cost of borrowing."

**Rob Cregeen, Bray Fox Smith**

## INVESTMENT SUMMARY

	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	4 Year Average
Volume	£641m	£295m	£218m	£402m	£270m	£2,918m
# of Transactions	23	25	20	29	24	120
Sq Ft Traded	1.76m	1.33m	1.18m	1.82m	2.01m	9.04m

## HEADLINE TRANSACTIONS Q1 2024



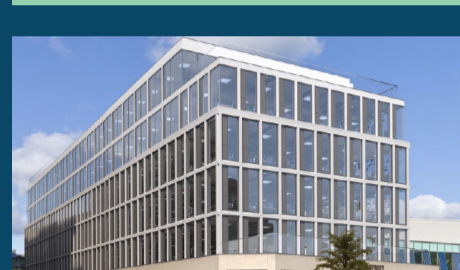
**63-77 Victoria Street, St Albans**  
Vendor: CCLA  
Purchaser: Oakmont  
£5.5m / £263 cv psf



**Virgin Atlantic HQ, Crawley**  
Vendor: Columbia Threadneedle  
Purchaser: Mirabaud  
£26.1m / 8.9% / £237 cv psf



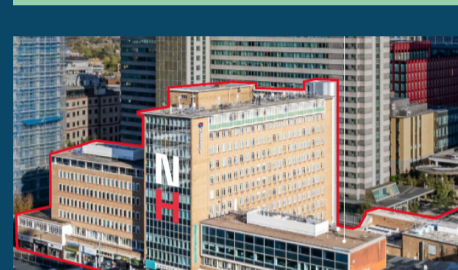
**Premier House, Twickenham**  
Vendor: Columbia Threadneedle  
Purchaser: Sun Capital  
£7.15m / 15.5% / £169 cv psf



**255 High Street, Guildford**  
Vendor: Chenavari  
Purchaser: Investec  
£19.0m / 7.85% / £422 cv psf



**Victoria Gate, Woking**  
Vendor: Woking BC  
Purchaser: Surrey CC  
£18.5m / £276 cv psf



**Norfolk House, Croydon**  
Vendor: Northwood  
Purchaser: Overseas  
£23.5m / 12.25% / £146 cv psf

## UNDER OFFER Q1 2024



**Assembly, Hammersmith**  
Vendor: AXA Real Estate  
Q. £120m / 7.55% / £532 cv psf



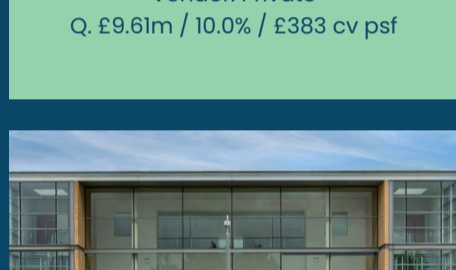
**41-47 Hartfield Road, Wimbledon**  
Vendor: Private  
Q. £9.61m / 10.0% / £383 cv psf



**Metropolitan House, Potters Bar**  
Vendor: Caretech Holdings  
Q. £6.0m / £ 89 cv psf



**Sefton Park, Stoke Poges**  
Vendor: Nuveen  
Q. £20.0m / 12.9% / £159 cv psf



**Maple Cross House, Maple Cross**  
Vendor: Private Overseas  
Guiding £12.0m / £127 cv psf

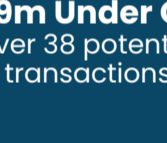


**The Quays, Uxbridge**  
Vendor: BYM Capital  
Q. £15m / £105 cv psf

## WHAT'S IN STORE FOR INVESTMENT Q2 2024?



**99 Office Investments on the market**  
£1.47bn based on asking price



**£679m Under Offer**  
Over 38 potential transactions



**The relaxing of restrictions around PD**  
will continue to attract developers to the sector

## LEASING

**Total take-up 709k sq ft in Q1 2024**  
A 21% increase on Q1 2023



**Another New Record Rent for the Thames Valley**  
Tempo, Maidenhead



**75% of take-up was Grade A for Q1 2024**



**Over 1,000,000 sq ft Under Offer**



"The positive momentum from Q4 2023 has carried into Q1 2024 and the year has started positively with viewing levels up across the region. With over 1,000,000 sq ft under offer in the South East we expect take-up levels to increase steadily throughout the year. The lack of new development/ refurbishment opportunities in the pipeline means supply will tighten further and rents will continue to rise in the key office markets."

**Toby Lumsden, Bray Fox Smith**

## QUARTERLY TAKE-UP ABOVE 5,000 SQ FT FOR Q1 2024

Size (sq ft)	5,000 to 9,999	10,000 to 19,999	20,000 to 29,999	30,000 to 49,999	50,000>	Total
Total	125,528	260,036	51,991	106,530	164,488	708,573
Count	19	18	2	3	2	44

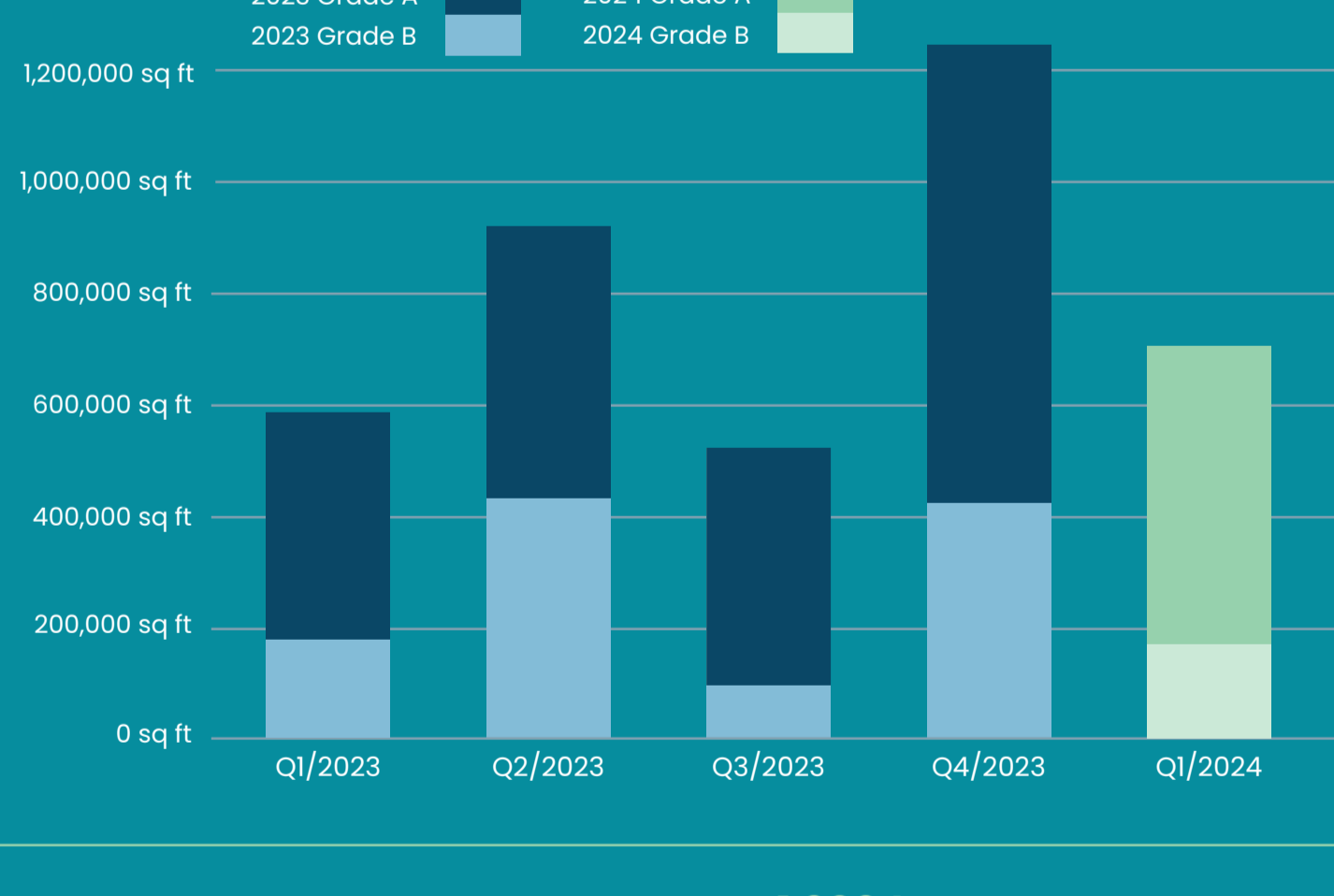
## SOUTH EAST OFFICE TAKE-UP BY REGION Q1 2024

**252,709 sq ft**  
Northern Sector

**257,653 sq ft**  
Western & West London Sector

**198,211 sq ft**  
Southern & South-West London

## SOUTH EAST OFFICE TAKE-UP 2023 & 2024

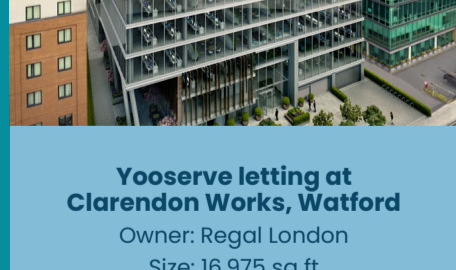


## LEASING HEADLINE TRANSACTIONS Q1 2024

LET BY BRAY FOX SMITH



**Johnson & Johnson letting at Tempo, Maidenhead**  
Owner: L&G  
Size: 97,000 sq ft



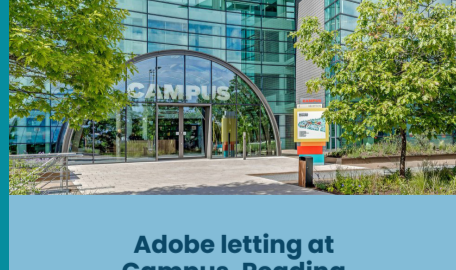
**Yooserve letting at Clarendon Works, Watford**  
Owner: Regal London  
Size: 16,975 sq ft



**Epson letting at Clarendon Works, Watford**  
Owner: Regal London  
Size: 30,500 sq ft



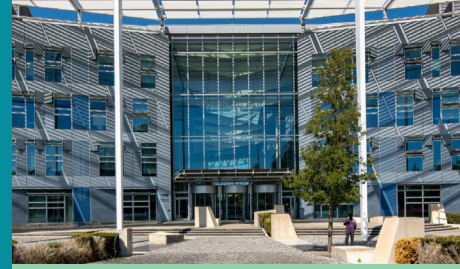
**Howdens letting at The Avebury, Milton Keynes**  
Owner: Swiss Life  
Size: 28,185 sq ft



**Adobe letting at Campus, Reading**  
Owner: Tristan Capital/ Alchemy Asset Management  
Size: 16,075 sq ft



**Ernst & Young letting at R+, Reading**  
Owner: Oval Real Estate  
Size: 25,299 sq ft



**East West Rail letting at The Quadrant, Milton Keynes**  
Owner: Network Rail  
Size: 34,000 sq ft



**AA letting at Plant, Basingstoke**  
Owner: Longstock Capital/ McTaggart  
Size: 42,000 sq ft



**Silverdoor letting at B7 Chiswick Park**  
Owner: Blackstone  
Size: 15,124 sq ft

For further information please contact one of the team:

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