

# SOUTH EAST OFFICE INVESTMENT AND LEASING MARKETS Q2/2024



## INVESTMENT

**£330m transacted**



**23 transactions** to 22 different buyers



**Transaction volumes improve**  
With increases of 12% on Q2/2023 & 22% on Q1/2024



**£14.4m average transaction size**



**47% traded to residential & 13% to industrial developers**



**56% sold by institutional funds**



*"Q2 trading volumes of £330m showed an improvement on Q1 but remain below the long-term average. Another continuing trend is the sale of lower grade office assets for alternate uses, with 60% of the deals concluded in the quarter sold for redevelopment. The disconnect between the investment market and the occupational market appears more acute than ever, although tight Grade A supply is starting to attract investors back into the sector seeking best-in-class offices with strong ESG credentials."*

**James Archibald, Bray Fox Smith**

## INVESTMENT SUMMARY

|                   | Q2/2023 | Q3/2023 | Q4/2023 | Q1/2024 | Q2/2024 | 4 Year Average |
|-------------------|---------|---------|---------|---------|---------|----------------|
| Volume            | £295m   | £218m   | £402m   | £270m   | £330m   | £2,918m        |
| # of Transactions | 25      | 20      | 29      | 24      | 23      | 120            |
| Sq Ft Traded      | 1.33m   | 1.18m   | 1.82m   | 2.01m   | 1.90m   | 9.04m          |

## HEADLINE TRANSACTIONS Q2 2024



**Kingsmead Business Park, High Wycombe**  
Vendor: Delancey  
Purchaser: Jansons Property / Pears Global Real Estate Investors  
£9.5m / £66 cv psf



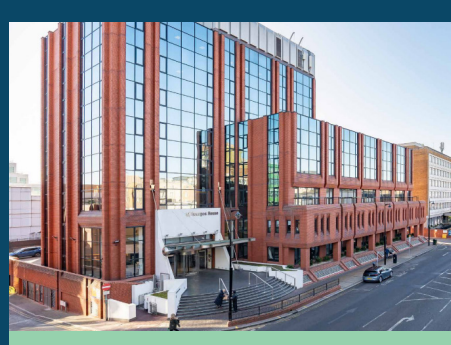
**Lakeside Drive, Park Royal**  
Vendor: Mapletree  
Purchaser: LSL Partners  
£21.0m / £70 cv psf



**The Dell Building, Bracknell**  
Vendor: Dell Technology  
Purchaser: Blue Coast Capital / Jansons Property  
Confidential price



**40 Clarendon Road, Watford**  
Vendor: Columbia Threadneedle  
Purchaser: Corum  
£19.5m / 8.35% / £390 cv psf



**St Georges House West, Wimbledon**  
Vendor: Orchard Street  
Purchaser: Capital London  
£21.5m / 17.25% / £264 cv psf

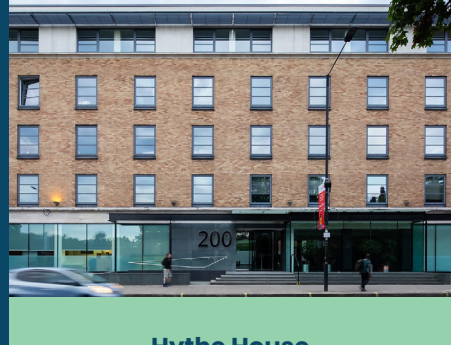


**Assembly, Hammersmith**  
Vendor: AXA Real Estate  
Purchaser: KFIM on behalf of Overseas Investor  
£52.0m / 16.4% / £230 cv psf

## UNDER OFFER Q2 2024



**Mercury Park, High Wycombe**  
Vendor: Columbia Threadneedle



**Hythe House, Hammersmith**  
Vendor: Federated Hermes  
Q. £32.2m / 7.3% / £556 cv psf



**Maple Cross House, Maple Cross**  
Vendor: Overseas Investor



**50 Windsor Road, Slough**  
Vendor: M&G  
Q. £6.5m / 15% / £137 cv psf

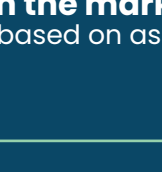


**St Aldates, Oxford**  
Vendor: BA Pension Fund  
Q. £13.0m / 9.2% / £388 cv psf

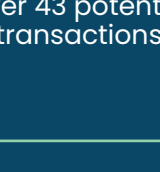


**488-489 Avebury Boulevard, Milton Keynes**  
Vendor: Sainsbury's Informal Tender

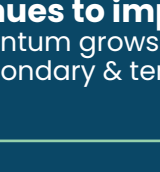
## WHAT'S IN STORE FOR INVESTMENT Q3 2024?



**103 Office Investments on the market**  
£1.55bn based on asking price



**£606m Under Offer**  
Over 43 potential transactions



**Sentiment for Grade A offices continues to improve**, whilst momentum grows for alternate uses for secondary & tertiary assets

## LEASING

**Total take-up – 702k sq ft in Q2 2024**  
A 1% reduction on Q1 2024



**Another New Record Rent for the Thames Valley**  
Station Hill, Reading – £56.00 psf



**86% of take-up was Grade A for Q2 2024**



**Over 750,000 sq ft Under Offer**



*"For the 2nd quarter in a row we have seen a new record headline rent achieved in the Thames Valley at Station Hill, Reading, proving that tenants are willing to pay for best-in-class office space. With further space under offer we expect momentum and sentiment to improve for the rest of the year and into 2025."*

**Toby Lumsden, Bray Fox Smith**

## QUARTERLY TAKE-UP ABOVE 5,000 SQ FT FOR Q2 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        | 108,165        | 162,958          | 156,472          | 141,974          | 132,280 | 701,849 |
| Count        | 16             | 11               | 7                | 4                | 2       | 40      |

## SOUTH EAST OFFICE TAKE-UP BY REGION Q2 2024

**111,512 sq ft**

Northern Sector

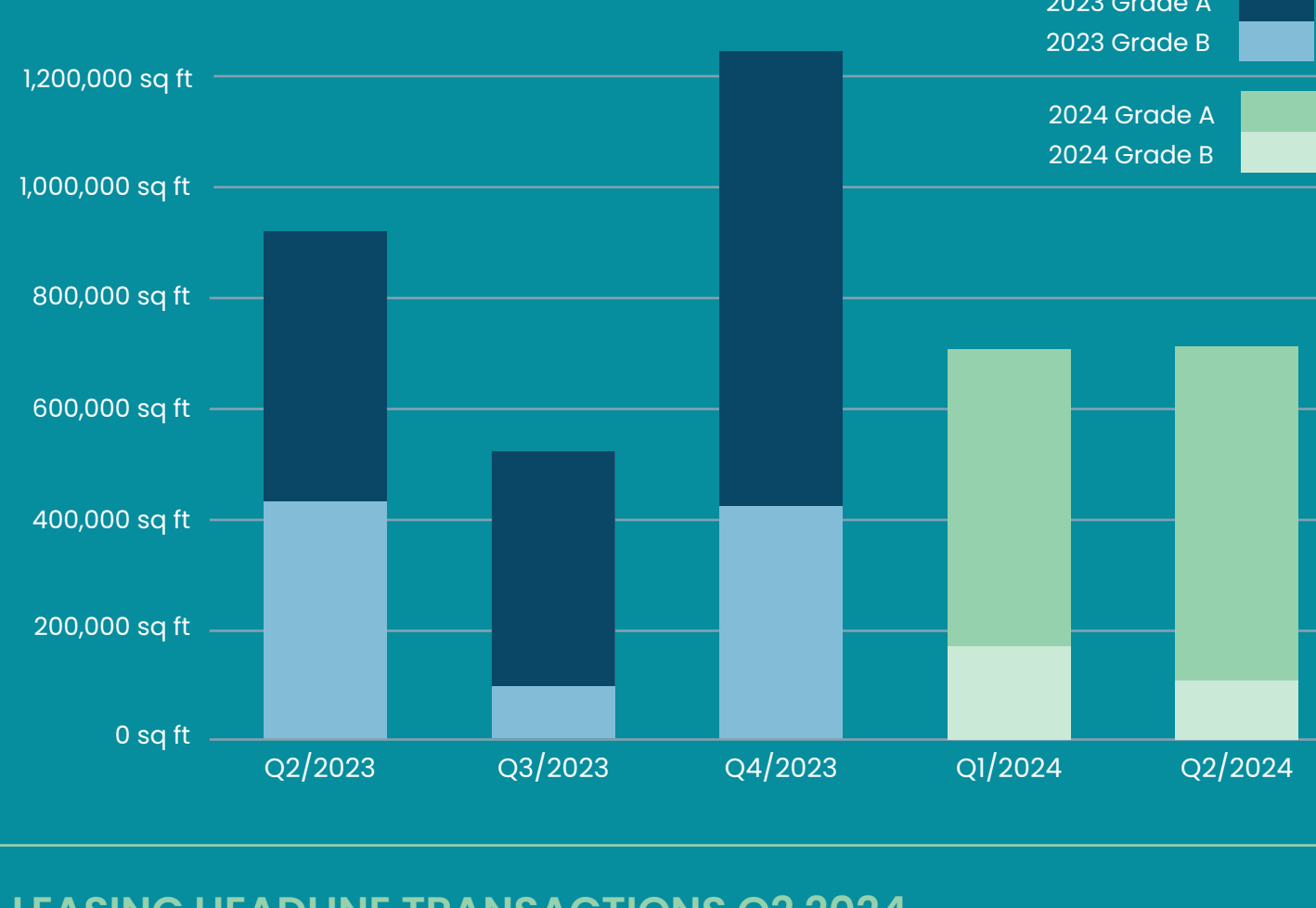
**415,663 sq ft**

Western & West London Sector

**174,674 sq ft**

Southern & South-West London

## SOUTH EAST OFFICE TAKE-UP 2023 & 2024



## LEASING HEADLINE TRANSACTIONS Q2 2024

LET BY BRAY FOX SMITH



**Allwyn letting at The Clarendon Works, Watford**  
Owner: Regal London  
Size: 65,000 sq ft



**AC Fashion Design letting at Colet Court, Hammersmith**  
Owner: London & Regional  
Size: 5,500 sq ft



**Cesium letting at Seebeck House, Milton Keynes**  
Owner: Fiera Real Estate  
Size: 4,000 sq ft



**Costain letting at Foundation Park, Maidenhead**  
Owner: JP Morgan  
Size: 4,000 sq ft



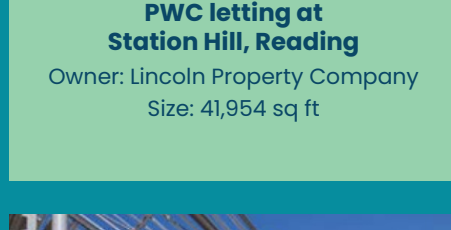
**PWC letting at Station Hill, Reading**  
Owner: Lincoln Property Company  
Size: 41,954 sq ft



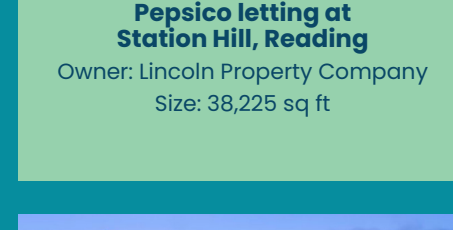
**Pepsico letting at Station Hill, Reading**  
Owner: Lincoln Property Company  
Size: 38,225 sq ft



**Glencore letting at One Bell Street, Maidenhead**  
Owner: Scavills IM  
Size: 21,000 sq ft



**Norgine letting at Building 5, ARC, Uxbridge**  
Owner: ARC Group  
Size: 23,871 sq ft



**AWE letting at 250 Brook Drive, Green Park, Reading**  
Owner: Mapletree  
Size: 67,260 sq ft

For further information please contact one of the team:

### INVESTMENT

**Rob Cregeen**  
e: robcregeen@brayfoxsmith.com  
m: 07787 157 731

**James Archibald**  
e: jamesarchibald@brayfoxsmith.com  
m: 07979 746 791

### LEASING

**Toby Lumsden**  
e: tobylumsden@brayfoxsmith.com  
m: 07796 444 379

**Richard Harding**  
e: richardharding@brayfoxsmith.com  
m: 07730 817 019

**Ian Leather**  
e: ianleather@brayfoxsmith.com  
m: 07860 612 242

**Chris Bulmer**  
e: chrisbulmer@brayfoxsmith.com  
m: 07917 526 855