

SOUTH EAST OFFICE INVESTMENT AND LEASING MARKETS Q4/2024

INVESTMENT

£553m transacted
(Completed & exchanged)



45 transactions / 3.0m sq ft



Best quarter since Q1/2023



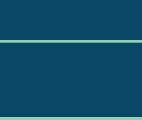
£12.28m average transaction size



35% of transactions were to convert offices to alternate uses (residential, medical and industrial)



Financial Institutions remain top sellers at 53%



"Q4 2024 saw £553m transacted (completed and exchanged) making it the strongest quarter since Q1 2023. This helped raise total transaction volumes in 2024 to £1.66bn, up from £1.55bn in 2023, yet still only 62% of the five-year average. There were 45 transactions in Q4 meaning the average lot size remains low at £12.28m.

Once again, assets suited to alternate use are generating good interest and generally achieving prices in excess of the residual office value.

The Life Science sector remains strong, underpinned by the sale of Cambridge Biomedical Campus to Danaher for £125m and three buildings at Cambridge Research Park to RLAM for £44m.

With limited Grade A stock and proven tenant demand in the top South East office markets, we are encouraged by the strengthening appetite, where there is potential for significant returns assuming active asset management."

Rob Cregeen, Bray Fox Smith

INVESTMENT SUMMARY

	Q1/2024	Q2/2024	Q3/2024	Q4/2024	Total 2024	5 Year Average
Volume	£270m	£330m	£507m	£553m	£1.66bn	£2.67bn
# of Transactions	24	23	33	45	125	120
Sq Ft Traded	2.01m	1.90m	3.7m	3.0m	10.61m	9.35m

HEADLINE TRANSACTIONS Q4 2024

TRANSACTIONED BY BRAY FOX SMITH

4 The Square, Stockley Park
Vendor: Receivership
Purchaser: Private investor
£9.0m / £110 cv psf

1 Farriers Yard, Hammersmith
Vendor: KFIM
Purchaser: Inigo Scott
£16.5m / £275 cv psf

Radio & St Andrews House, Cambridge
Vendor: Orchard Street
Purchaser: HIG / Lateral
£22.75m / £266 cv psf

1000, 2000 & 9,000 Cambridge Research Park
Vendor: Columbia Threadneedle
Purchaser: RLAM
£44.5m / 5.5% / £371 cv psf

One Bell Street, Maidenhead
Vendor: Savills IM
Purchaser: KFIM
£9.25m / 8.9% / £465 cv psf

Kings Hill Business Park, West Malling
Vendor: Prologis & Harbert Corp
Purchaser: Praxis
£40.0m / £81 cv psf

UNDER OFFER Q4 2024

3 Forbury Place, Reading
Vendor: M&G
Q. £85.769m / 7.5% NIY / £391 cv psf

The Forge, Woking
Vendor: Swiss Life
Q. £30.95m / 8.0% / £398 cv psf

150 The Broadway, Wimbledon
Vendor: GWU
Q. £15.0m / £305 cv psf

St Johns Place, High Wycombe
Vendor: KFIM
Q. £6.0m / 10.0% / £ 228 cv psf

Quadrant Court, Woking
Vendor: Surrey County Council
Offers invited

Lotus Park, Staines
Vendor: L&G
Q. £43.2m / 7.5% / £429 cv psf

WHAT'S IN STORE FOR INVESTMENT Q1 2025?



84 Office Investments on the market
£1.02bn based on asking price



£830m Under Offer
Over 42 potential transactions



Transactional volumes set to grow
as more buyers enter the market

LEASING

Total take-up - 705K sq ft in Q4 2024
11% decrease on Q3 2024



2.8m sq ft take-up for 2024
20% down on 2023



Average letting size for 2024 was 15,618 sq ft



75% of transactions in 2024 were on Grade A space



"Whilst total take-up for 2024 was marginally down on the 5 year average there remains strong demand for best-in-class assets, which are now in short supply across the region.

Economic pressures still remain across the board, but we are seeing tenants mandate more days in the office which can only be a positive for the office sector going forwards into 2025."

Toby Lumsden, Bray Fox Smith

QUARTERLY TAKE-UP ABOVE 5,000 SQ FT FOR Q4 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	234,561	251,751	49,224	109,361	61,020	705,917
Count	33	19	2	3	1	58

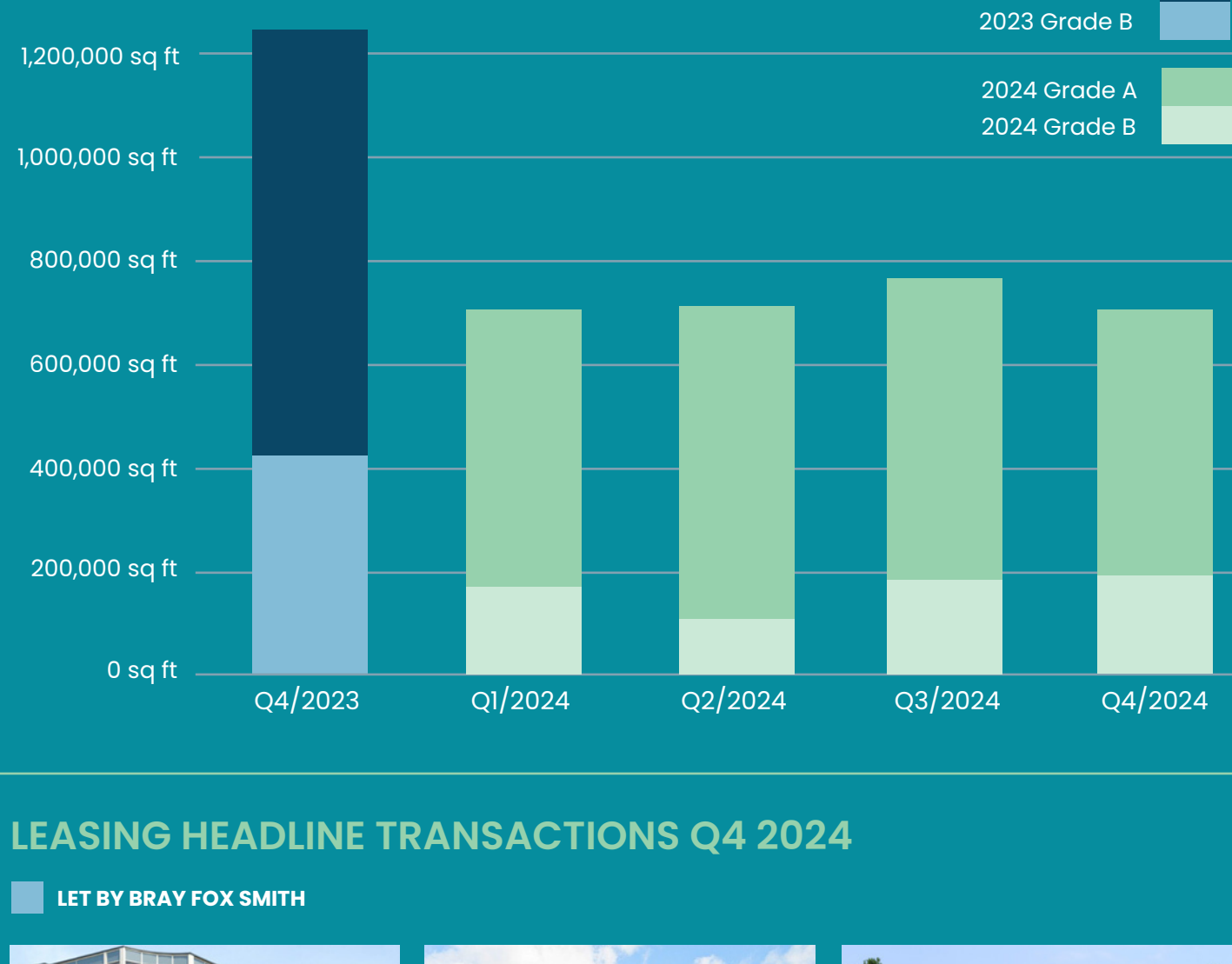
SOUTH EAST OFFICE TAKE-UP BY REGION Q4 2024

125,072 sq ft
Northern Sector

325,926 sq ft
Western & West London Sector

254,919 sq ft
Southern & South-West London

SOUTH EAST OFFICE TAKE-UP 2023 & 2024



LEASING HEADLINE TRANSACTIONS Q4 2024

LET BY BRAY FOX SMITH

Lindt letting at The Gosling, Richmond
Owner: Sheen Lane Developments
Size: 28,900 sq ft

Red Kite letting at Hampden Court, Kingsmead Business Park, High Wycombe
Owner: Jansons Property
Size: 20,500 sq ft

Chartway Group letting at 4 Abbey Wood Road, Kings Hill
Owner: Praxis
Size: 14,900 sq ft

Baxter Healthcare letting at Campus, Reading
Owner: Tristan/Alchemy
Size: 9,500 sq ft

McDermott letting at Building 9, Chiswick Park
Owner: CIC/Blackstone
Size: 49,801 sq ft

Total Energies letting at Kingsworth Place, Tadworth
Owner: Fidelity
Size: 36,500 sq ft

Jacobs letting at Thames Tower, Reading
Owner: Spelthorne Borough Council
Size: 14,000 sq ft

CFP Energy letting at 245 Hammersmith Road, Hammersmith
Owner: L&G
Size: 13,800 sq ft

Glory Global letting at Plant, Basingstoke
Owner: Longstock Capital
Size: 9,800 sq ft

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