

OFFICE FOCUS Q1 2025



SHWPROPERTY



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**MAKING
PROPERTY
WORK**

SHW.CO.UK

Welcome to the Q1 2025 edition of SHW's South East Office Focus.

Take up across the South East office market was slow in 2024, after an improved 2023, with just the Brighton area bucking the trend, seeing an increase in transactions. With another letting just completed at The Portland Building demonstrating this trend, the majority of take up is linked to the 'flight to quality' move, with businesses wanting to provide the best quality office space they can afford for their staff. We expect this trend to continue across 2025, however for areas where quality stock is not available, occupiers will likely stay put.

Crawley has seen a disappointing year of take up compared with the long-term average, those occupier lettings have been either in Crawley's only new office building The Create Building, or the Galleria, a building refurbished back to Grade A, confirming the 'flight to quality'. A couple of freehold deals to developers wanting to convert to residential has reduced the available stock further.

In Croydon, a lot of stock has been lost to Permitted Development with an estimated 1m sq ft of office space to be converted to residential over the next 12-24 months. This should lead to more office transactions in 2025/26 as occupiers look to relocate.

Successful lettings will continue to encourage investors to spend on refurbishment and repositioning of suitable stock. However, a strong hand is needed for this. With occupiers rents likely doubling for new, high-quality space, the re-positioning / refurbishment offer will have to be very strong to achieve this (which is possible), and nerves held due to the investment costs involved and a two-to-three-year turnaround to re-let but the benefits could be significant if investors can be patient..

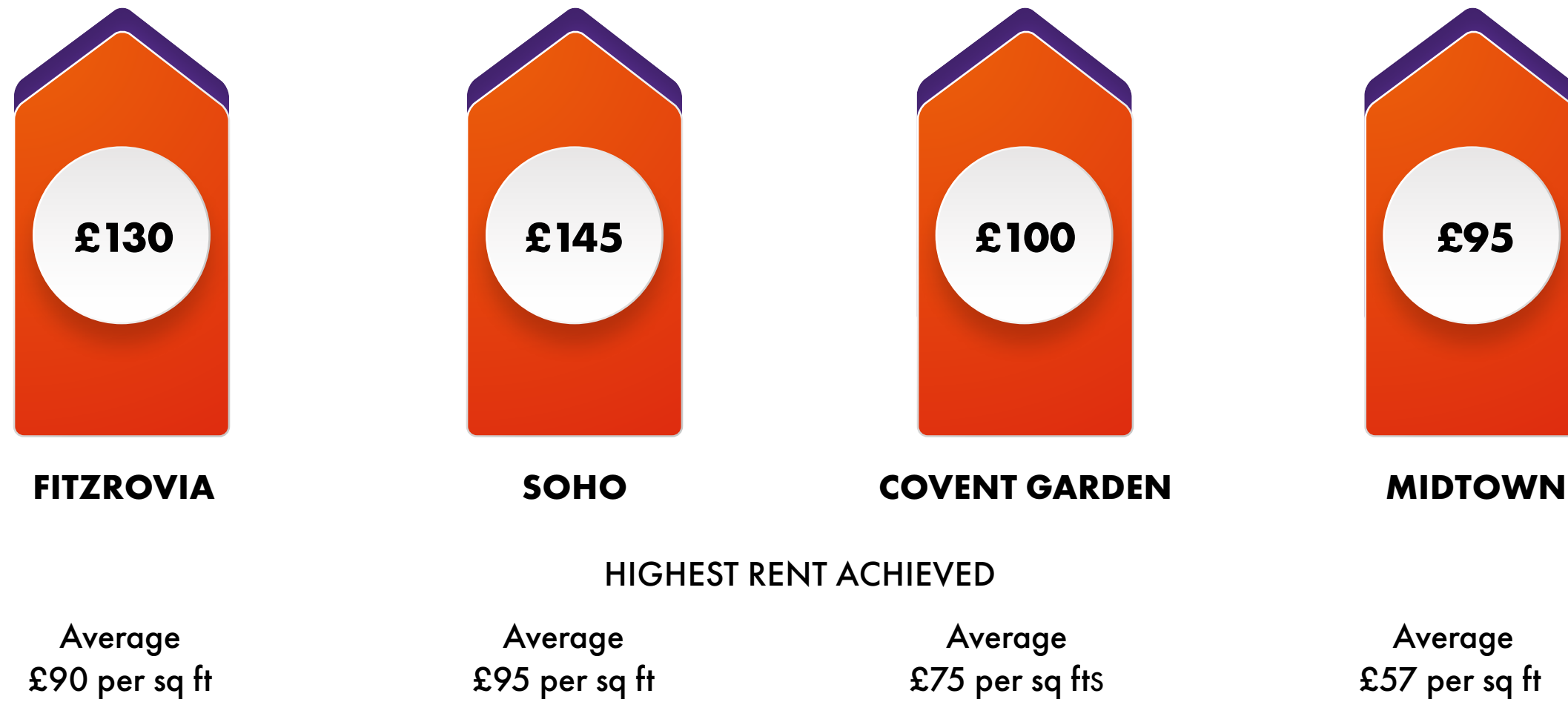
The following report reviews recent activity and market trends across the South east region, comparing this with past take-up and availability. For more information, please contact any member of the SHW team.



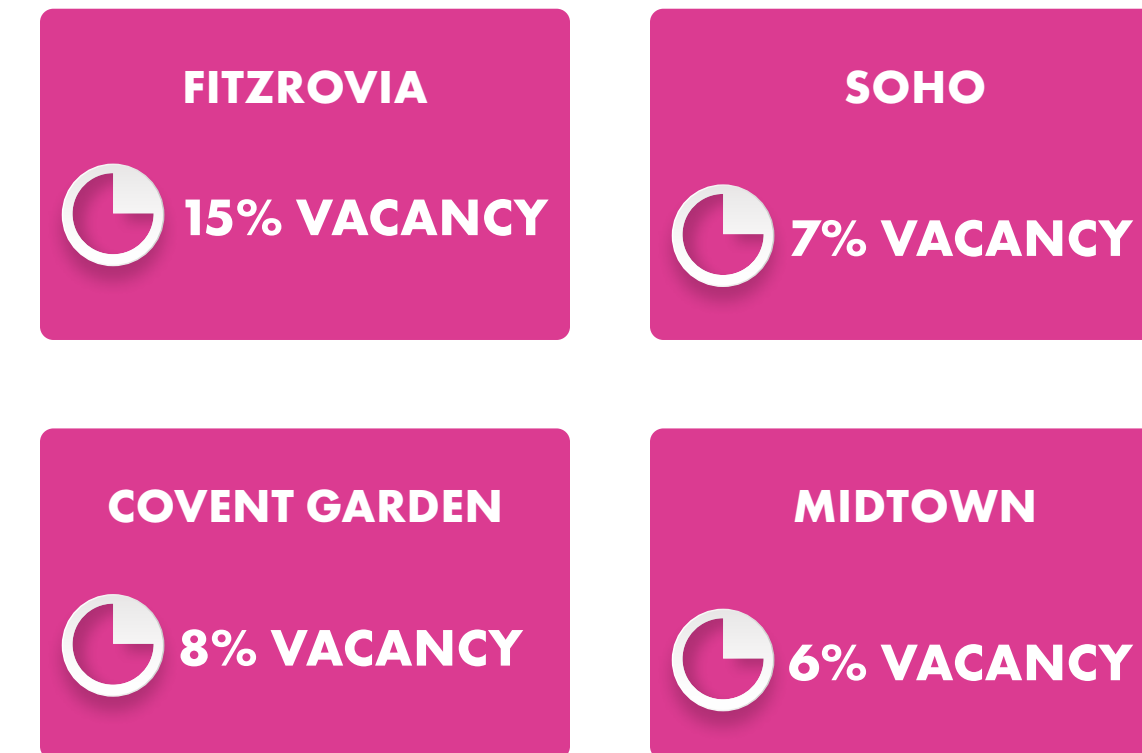
TIM HARDWICKE
Partner Head of Agency




GRADE A RENTS PER SQ FT





VACANCY




MEET THE TEAM

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LOGGED DEMAND (SQ FT)

	Q1 2004	Q2 2004	Q3 2004	Q4 2004	TOTAL
FITZROVIA	3,234,500	3,544,205	2,563,025	2,911,975	12,253,750
SOHO	2,978,750	3,281,500	2,479,275	2,679,100	11,418,520
COVENT GARDEN	3,078,955	3,157,250	2,945,000	2,625,850	11,807,055
MIDTOWN	4,304,750	3,391,125	3,349,675	2,974,325	14,019,875

NUMBER OF NEW ENQUIRIES (PER QUARTER)



Statistics assume 5,000 sq ft and above

AGENCY

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GRAIN HOUSE COVENT GARDEN, LONDON WC2

6,700 sq ft Office Acquisition.



UK ECONOMY AND THE INVESTMENT MARKET

- GDP in the UK economy has steadily and resiliently grown since the covid volatility of 2020/2021, despite covid / Brexit / inflation and higher interest rates.
- UK domestic interest rates likely to be ‘higher for longer’ as BoE seeks to combat inflation.
- Higher cost of money reduces the margin between the amount of interest that borrowers must pay for debt and the rent that they hope to collect.
- Some buyers have been seeking higher yields to maintain margins – this reduces sale prices, this is now somewhat ameliorated by some buyers being impatient to invest .
- Despite this, many buyers and sellers seeking to trade for their own reasons often driven by, for example, generational change / I H T, project completion, fund life ending, redemptions, lender pressures, crystallising profit or wanting to trade before April 5th 2025.
- A great deal of capital is waiting to be deployed but in projects where the costs are securely known and the letting background is strong.

OFFICE INVESTMENT YIELDS

Office Yields **6.75% - 12%**

Depending on:

- Location
- Letting
- Covenant
- ESG Credentials
- Parking ratio
- Specification

FUTURE

- Invest in great ESG, think of occupier lifestyle in good letting markets.
- Buildings in top quartile or decile on quality will attract tenants and investors.
- Change of use of medical, educational & residential.
- Good signs of continued employee return to office and away from “WFH”.

BUYER TYPES

- HNW Individuals
- Family Property Companies
- Pension Funds
- Family Office/Trust
- Property Investment Companies
- SIPP and SSAS entities
- Property Developers

Resilience – Well let to good covenants and properties great ESG credentials.

Re-Pricing – Short leases, those in need of investment and improvement works.

DEALS DONE



Melrose House, Croydon

Income producing 22,500 sq ft office blocks in East Croydon sold by SHW



St Marks House, Eastbourne

30,000 sq ft Office Investment acquired for clients by SHW



Bell Lane, Lewes

Sale and leaseback of long leasehold arranged by SHW at £1.8M

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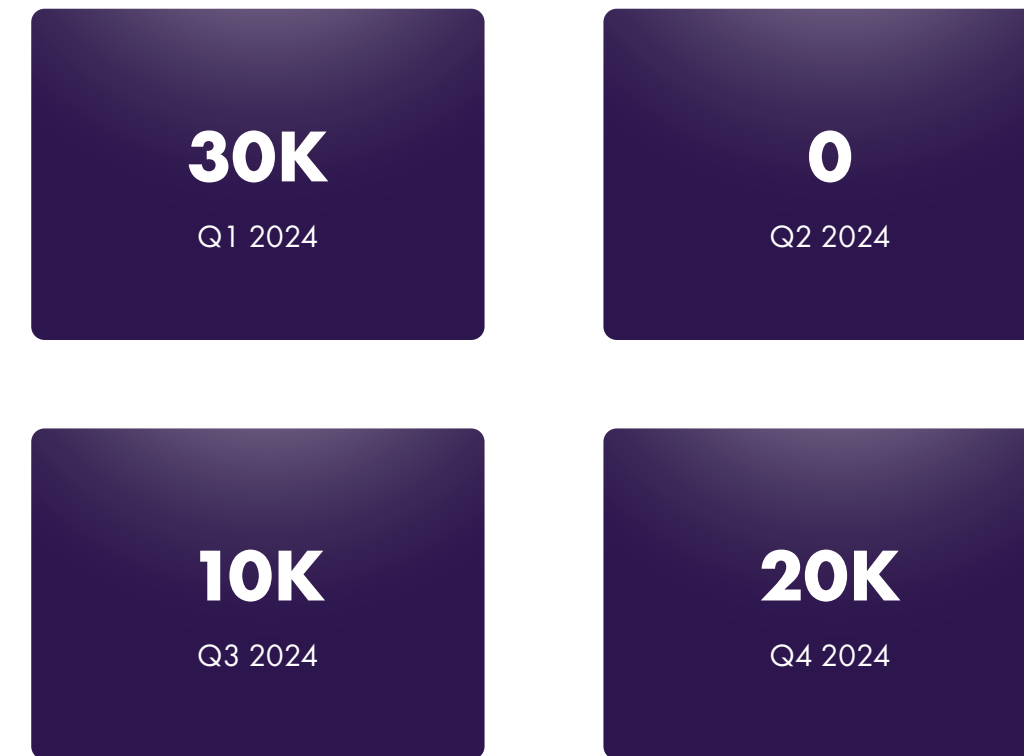


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RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM



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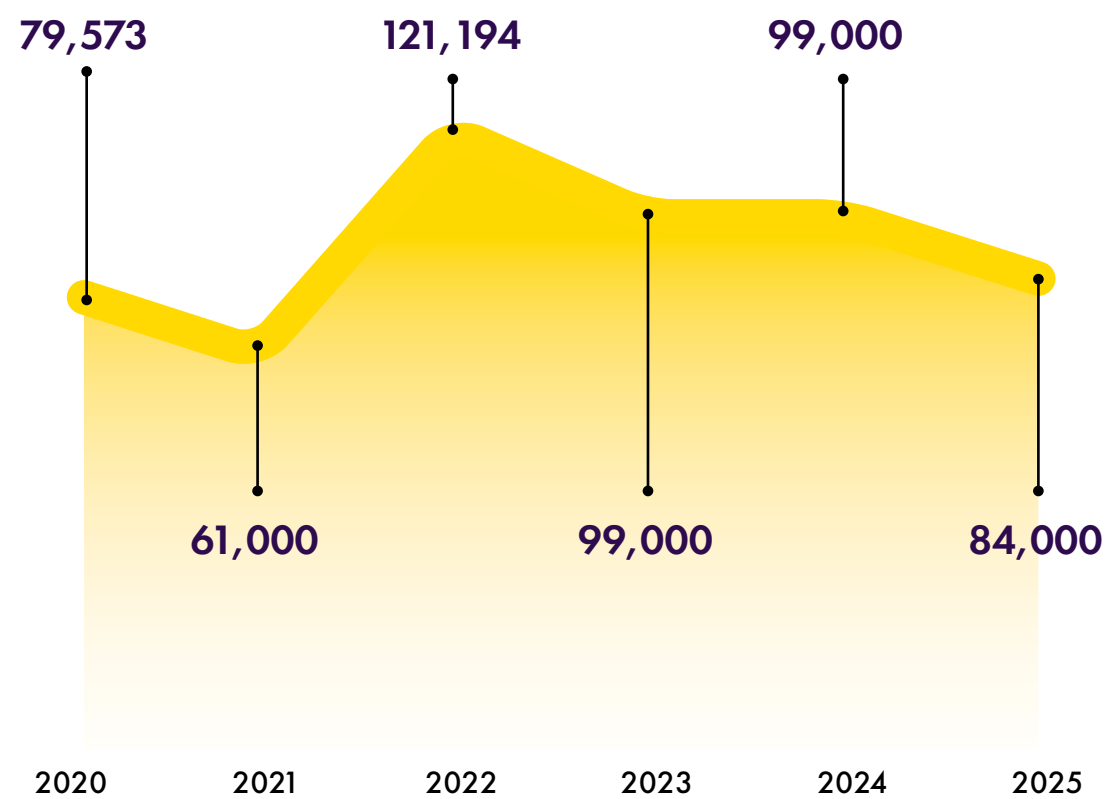


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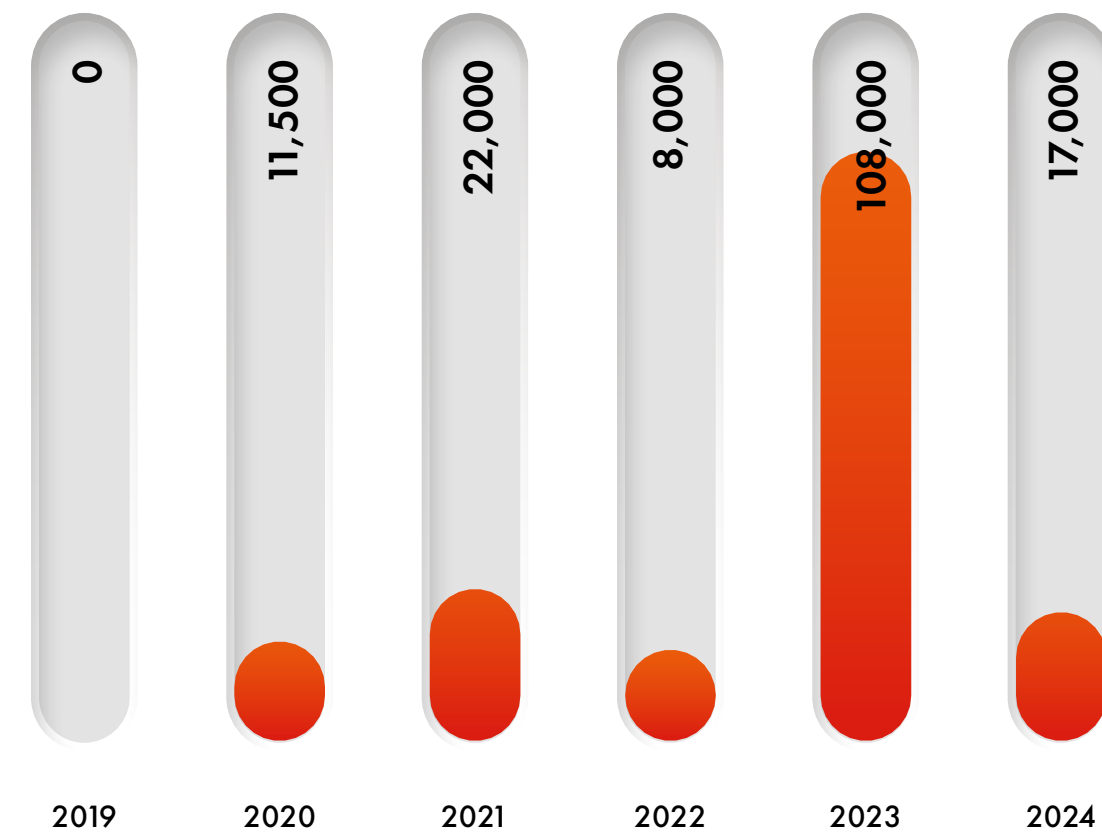


Stephen Hall
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



4% VACANCY

Statistics assume 5,000 sq ft and above

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IMPERIAL HOUSE BROMLEY

1,500 – 5,890 sq ft of fitted offices available TO LET.



RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM



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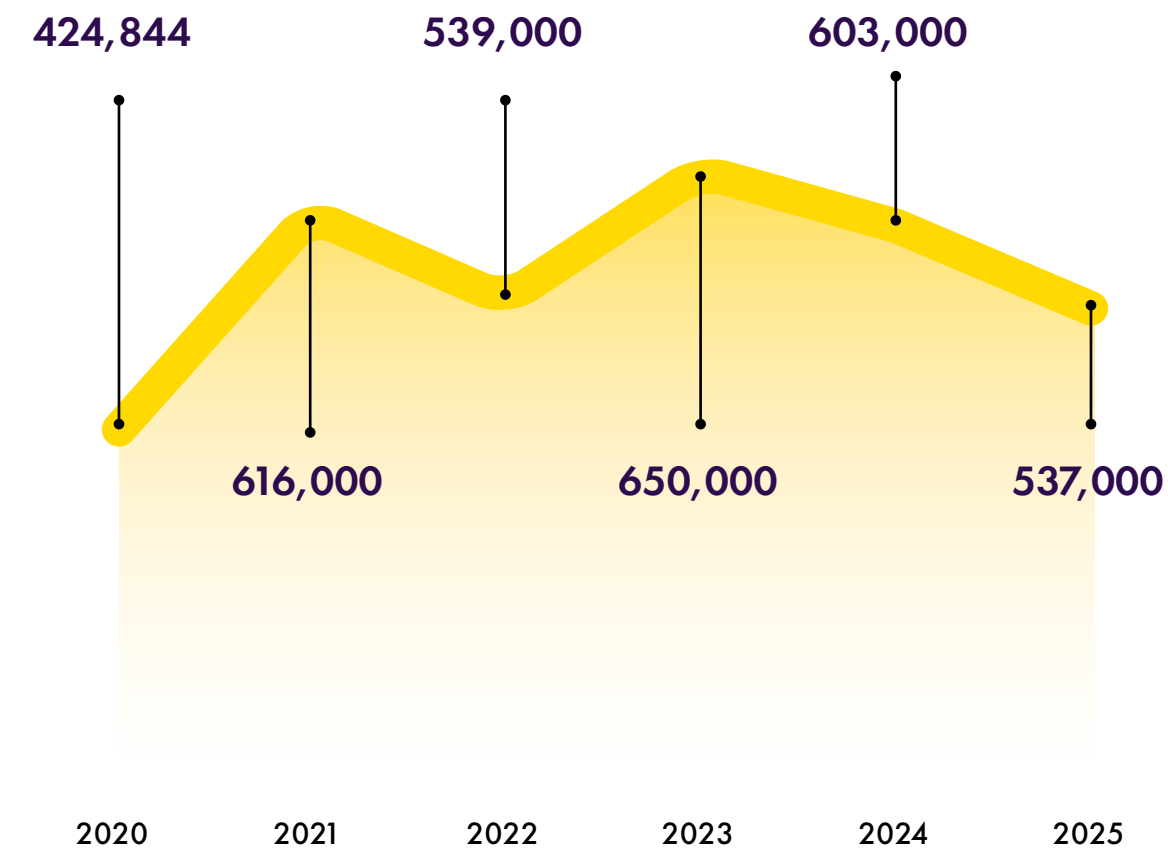


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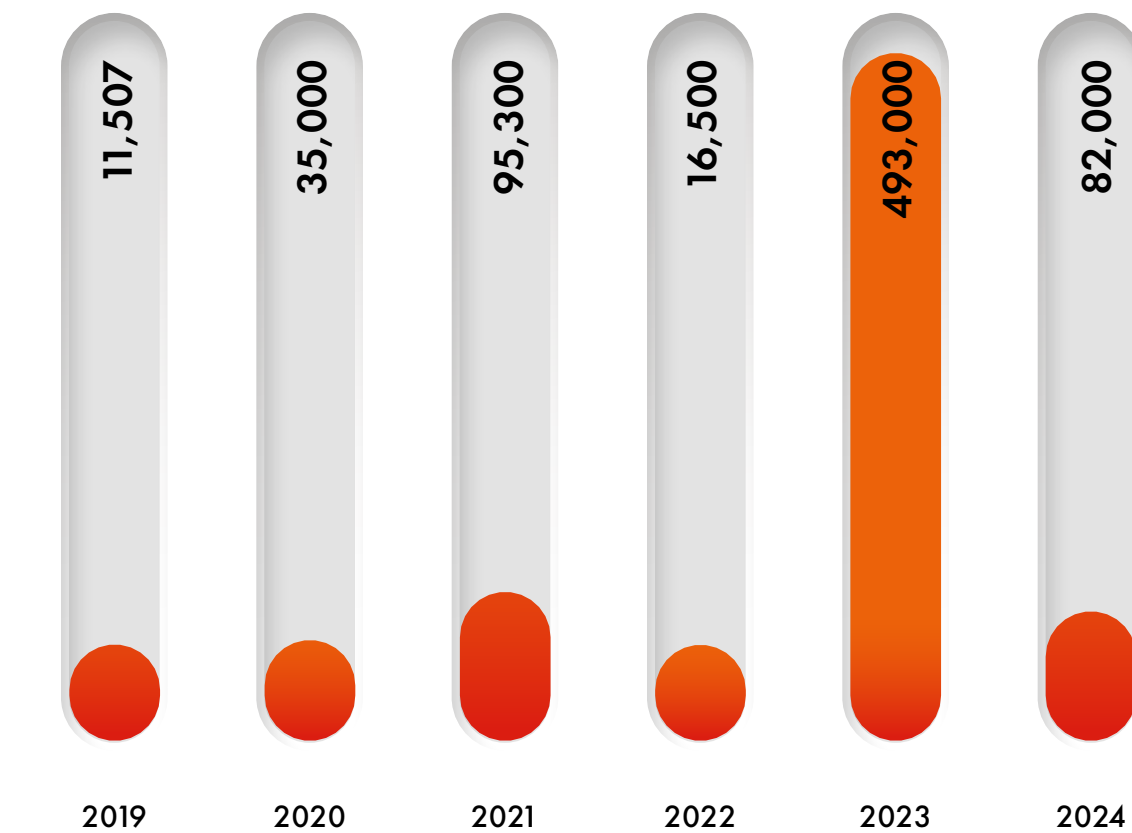
AGENCY

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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)




NUMBER OF NEW ENQUIRIES
(PER QUARTER)



11.3% VACANCY

Statistics assume 5,000 sq ft and above



AMP HOUSE CROYDON

Two lettings totalling 7,000 sq ft, let by SHW in Q4 2024. 28,000 sq ft available TO LET.



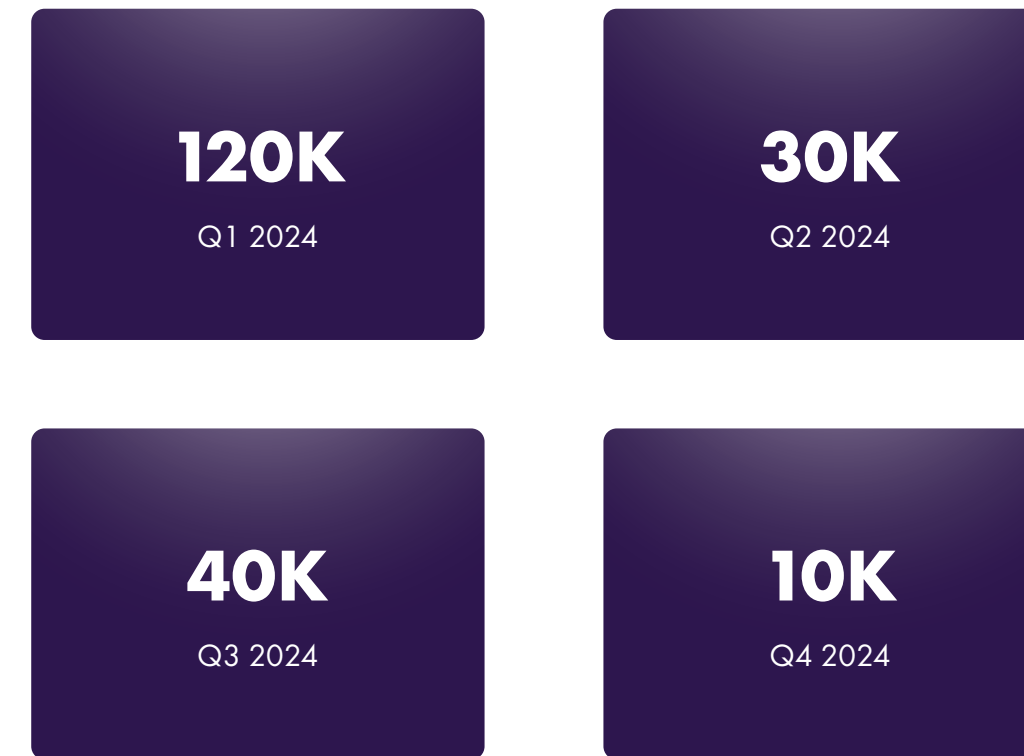
BERNARD WEATHERILL HOUSE CROYDON

16,000 sq ft let. 42,000 sq ft available TO LET.


RENTS
(£ PER SQ FT)





LOGGED DEMAND
(SQ FT)



MEET THE TEAM

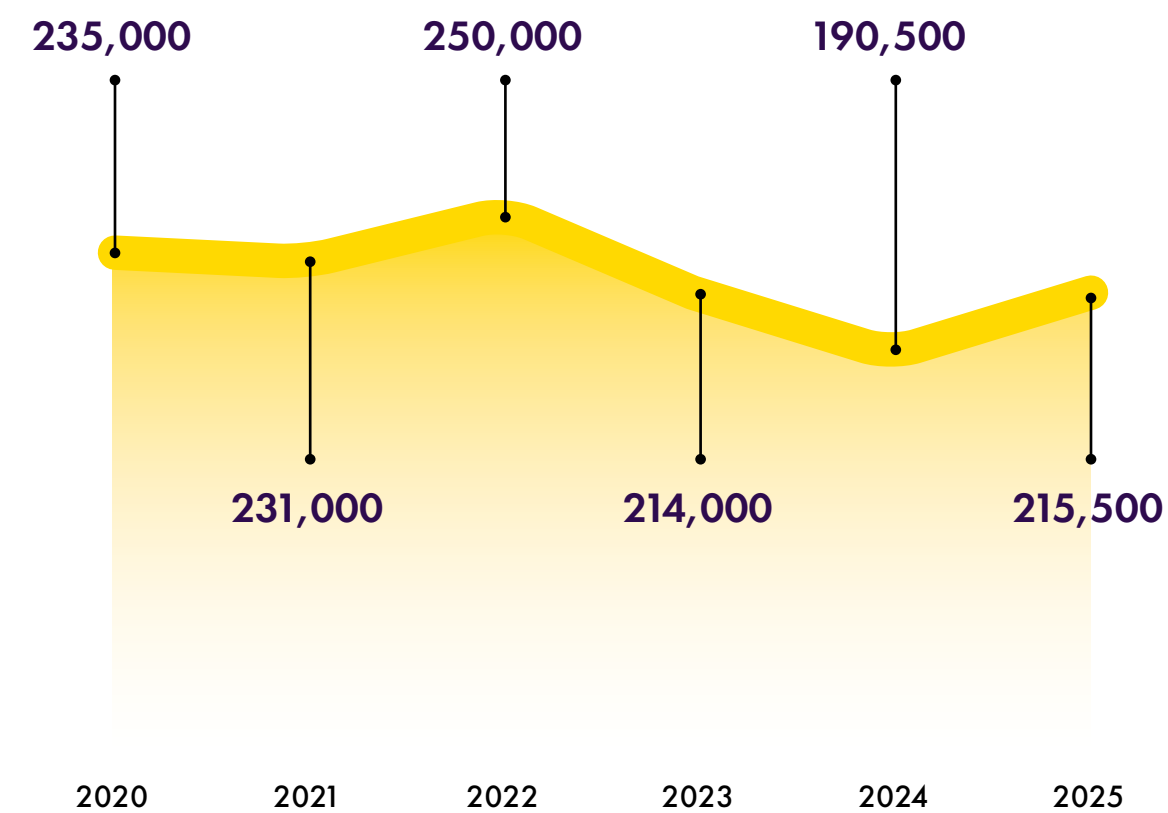
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mskelton@shw.co.uk
- 

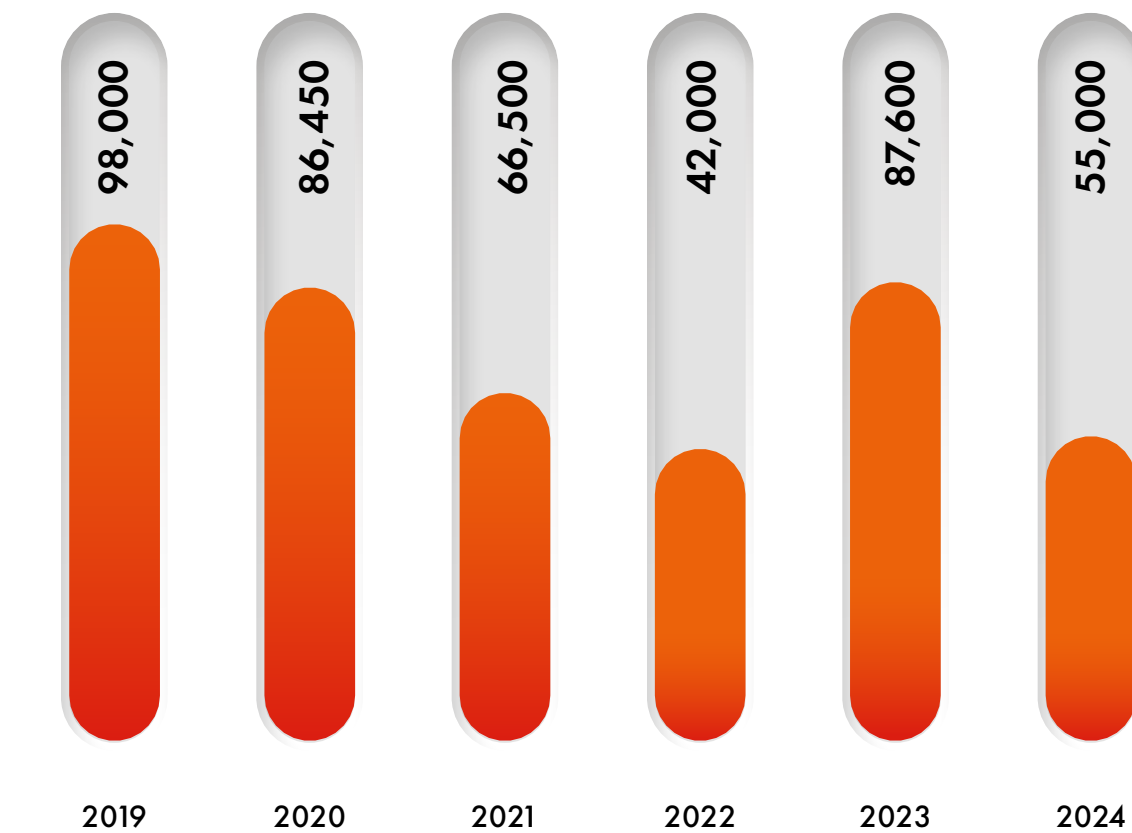
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Rachel Finn
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



8.6% VACANCY

Statistics assume 5,000 sq ft and above

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EPSON GATEWAY

EPSON

8,000 sq ft LET.



NEWPLAN HOUSE

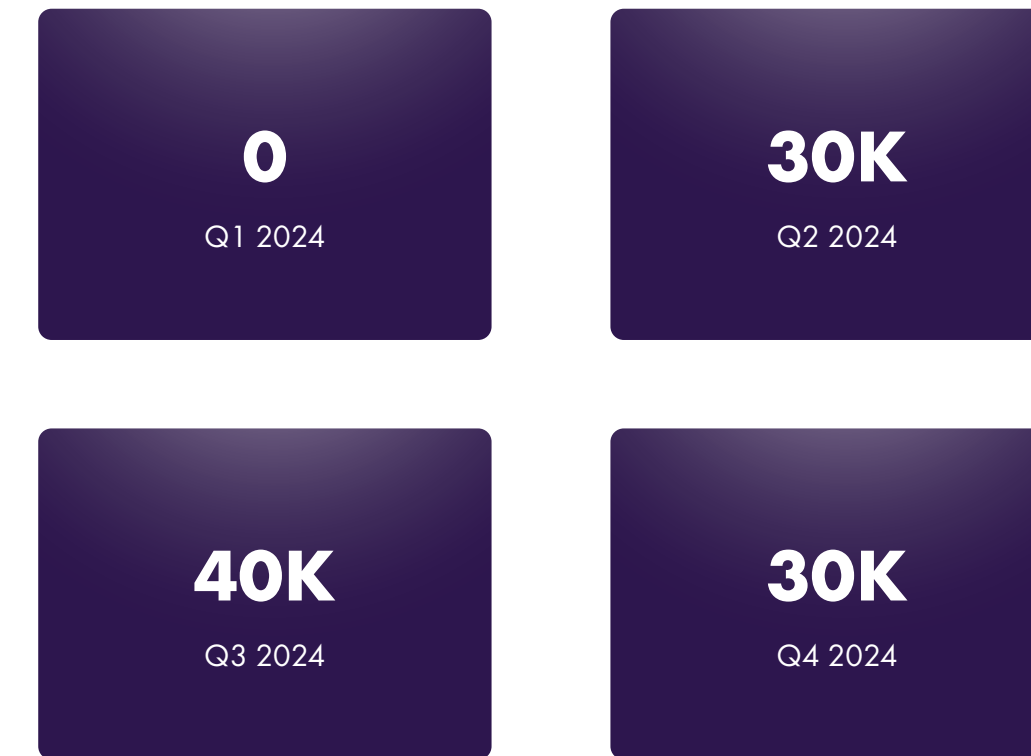
EPSON

6,000 sq ft LET.

RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM

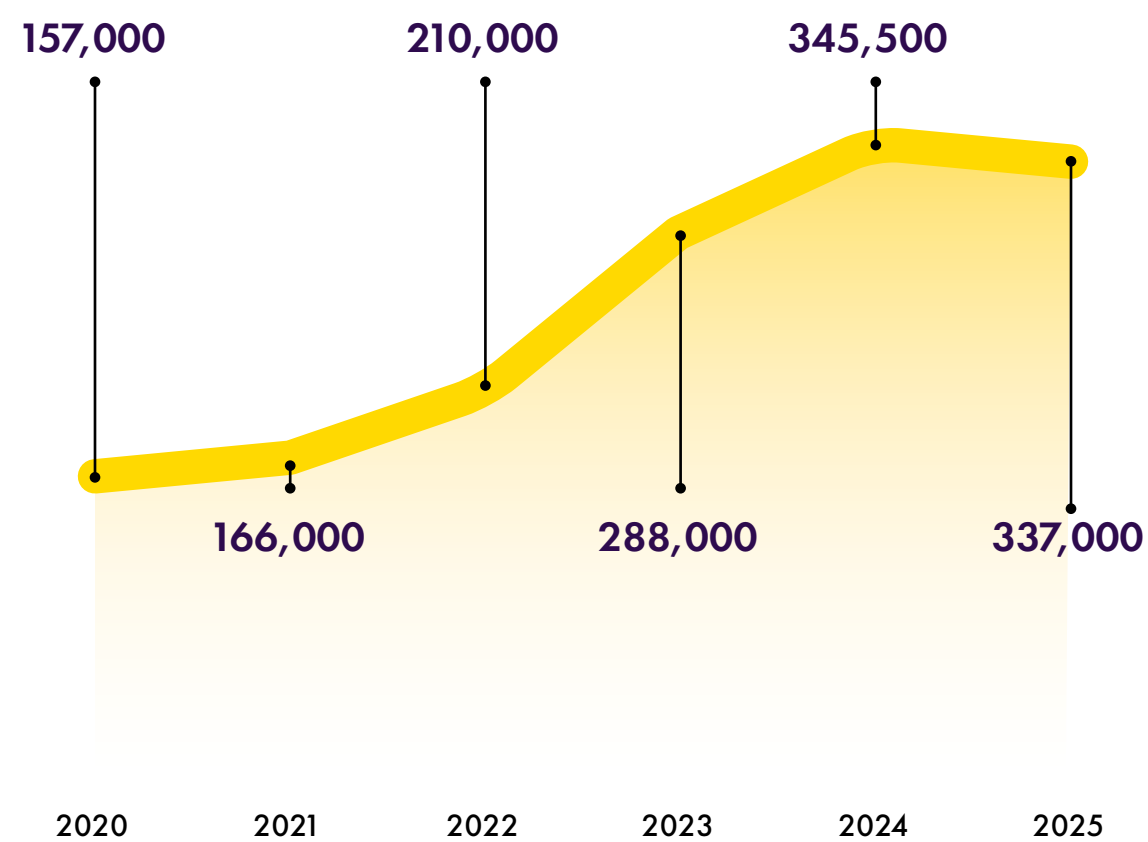
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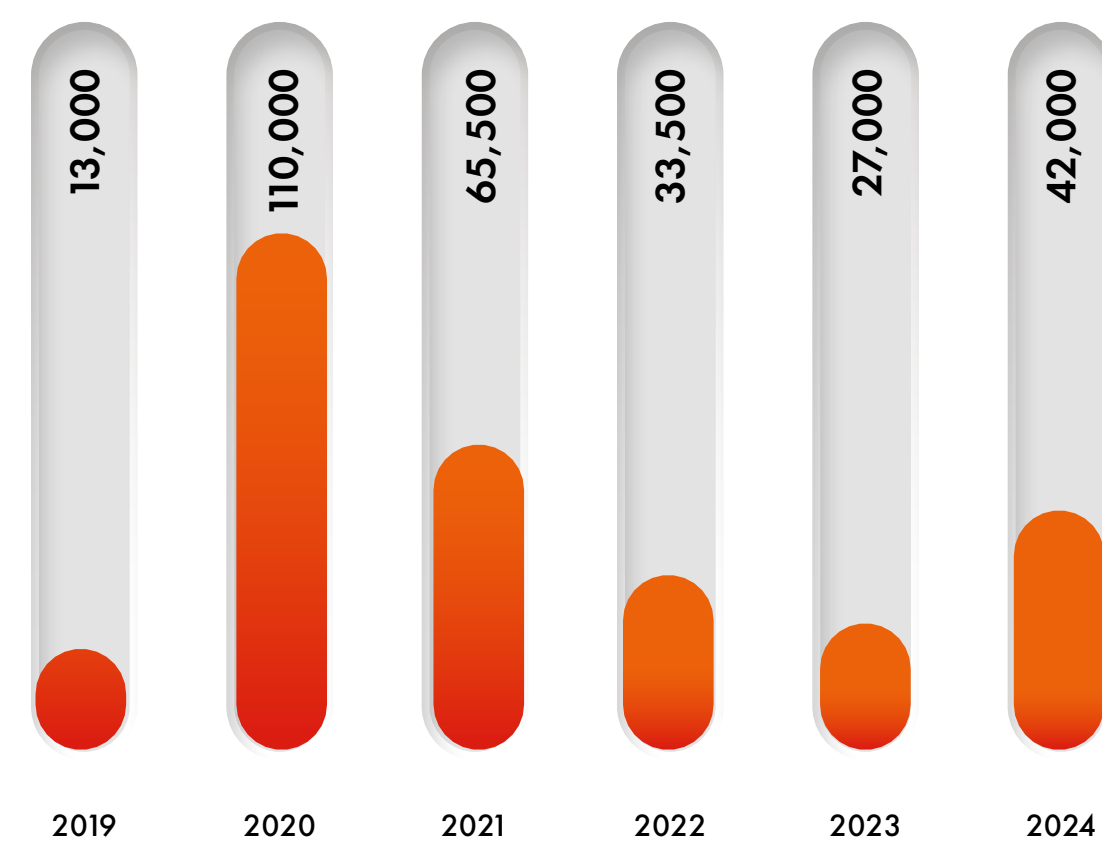
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



19.1% VACANCY

Statistics assume 5,000 sq ft and above

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GROSVENOR HOUSE REDHILL

ONLY 5,500 sq ft REMAINING.

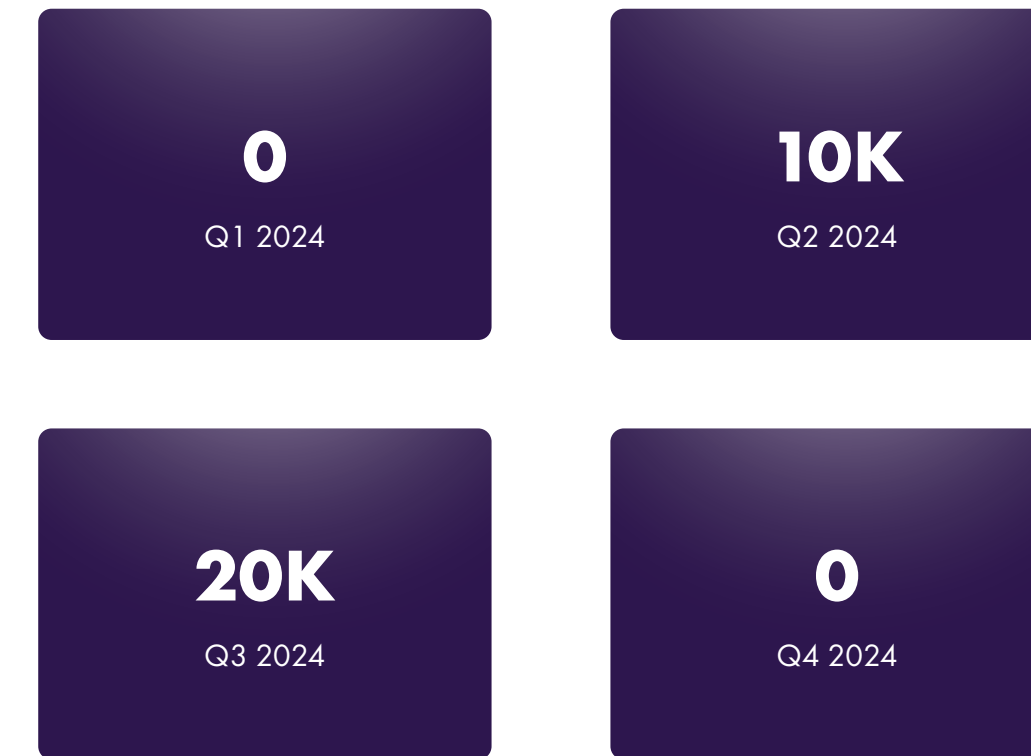
LONDON COURT REIGATE

5,800 sq ft Refurbished office LET.
9,700 sq ft AVAILABLE.


RENTS
(£ PER SQ FT)





LOGGED DEMAND
(SQ FT)



MEET THE TEAM

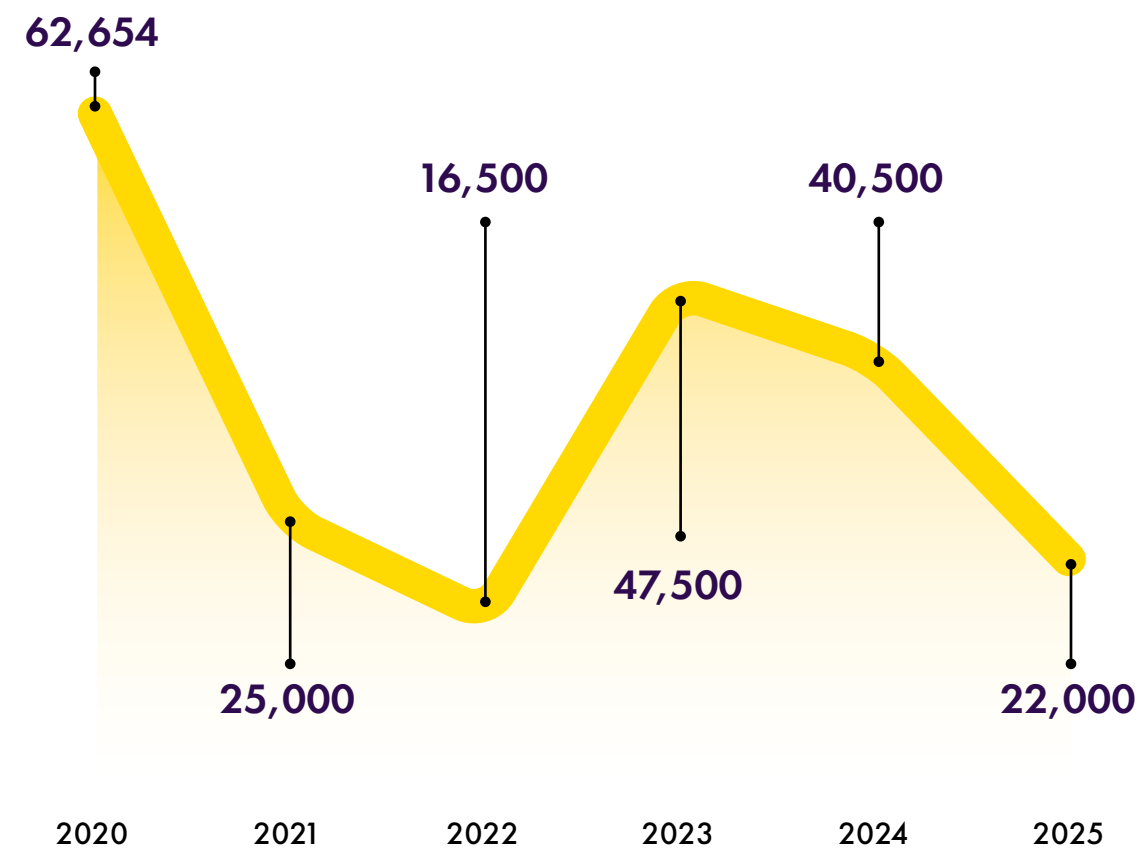
- 

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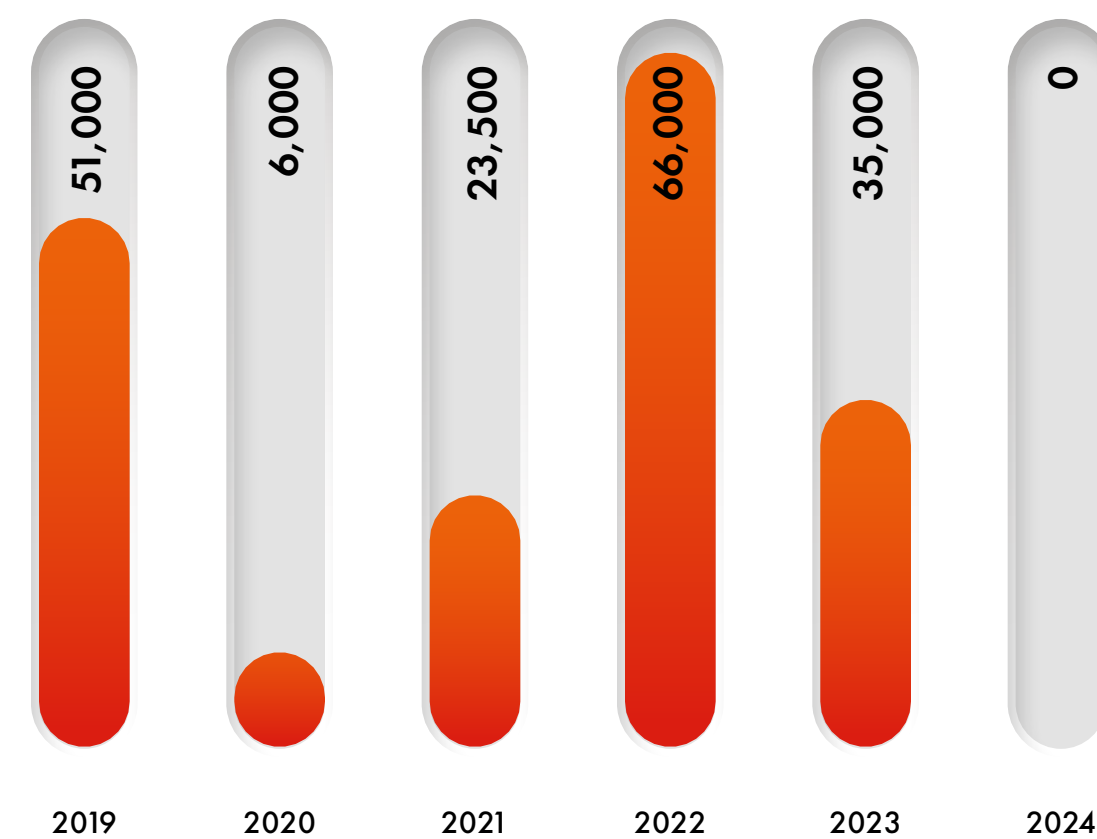
Laura Thomson
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James Bryant
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



- 

James Clement
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1.9% VACANCY

Statistics assume 5,000 sq ft and above

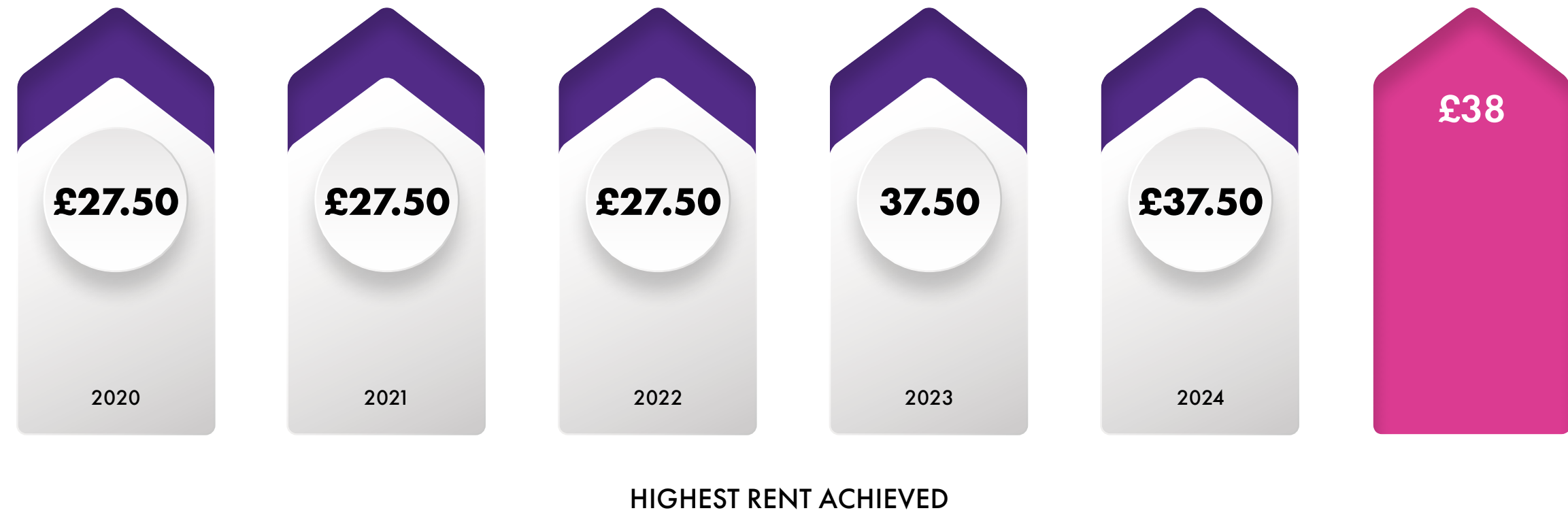
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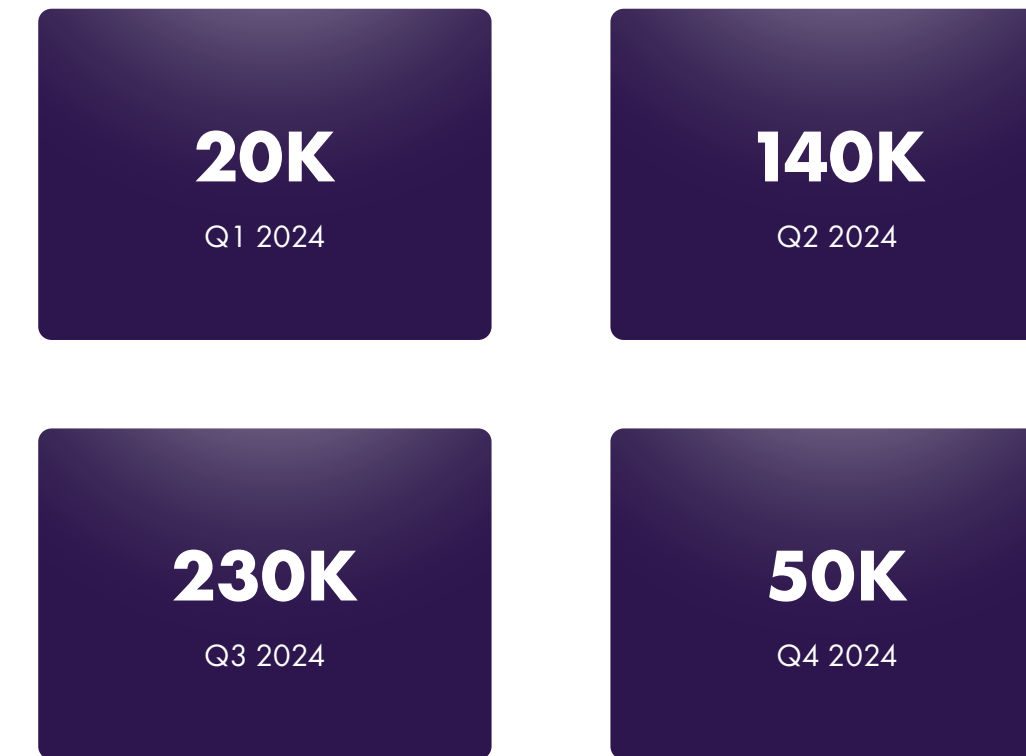
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RENTS
(£ PER SQ FT)



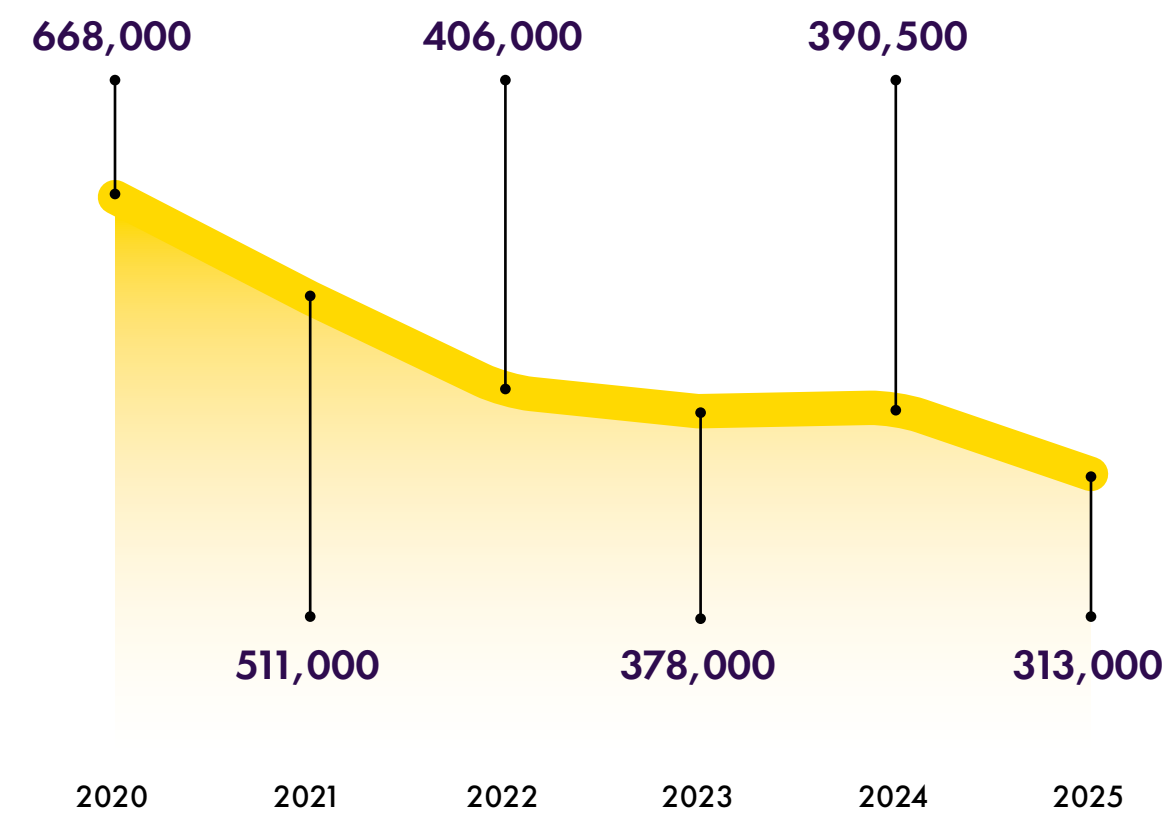
LOGGED DEMAND
(SQ FT)



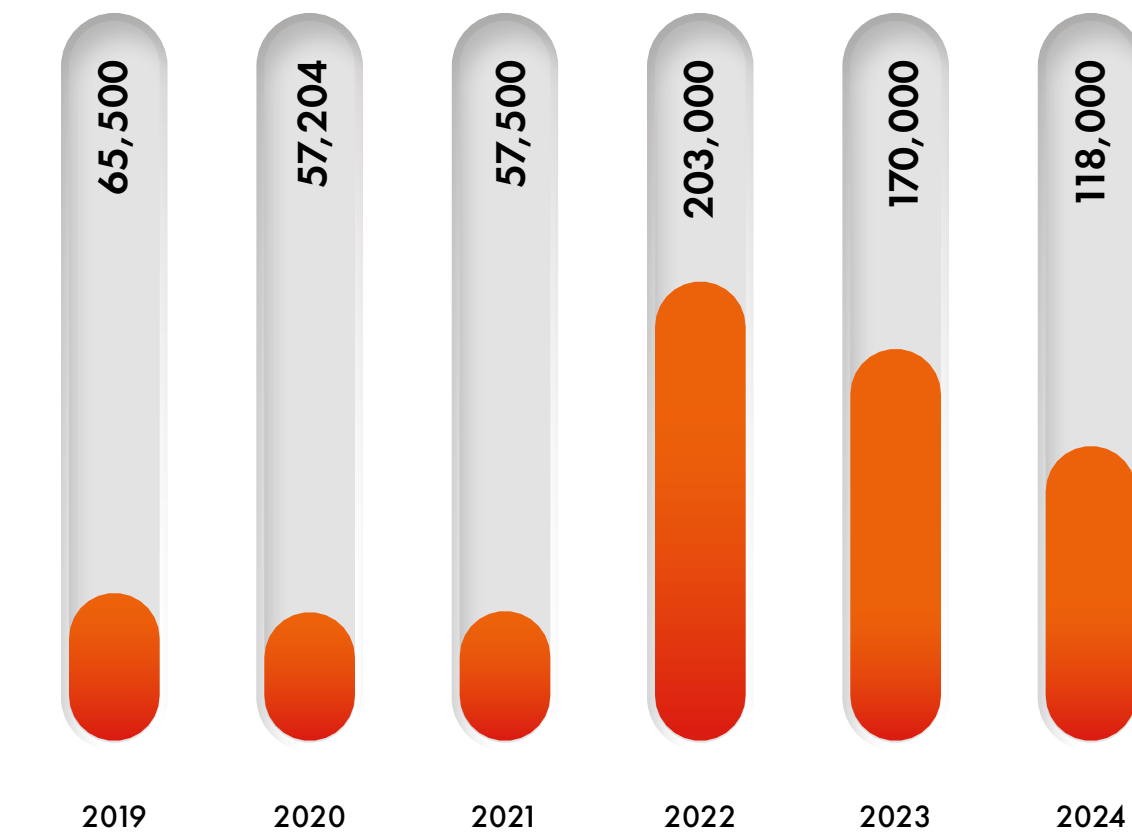
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



10.1% VACANCY

Statistics assume 5,000 sq ft and above

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PARK HOUSE CRAWLEY

63,000 sq ft LET - 48,000 sq ft remaining TO LET.

The Create Building.

THE CREATE BUILDING

CRAWLEY

Crawley's newest office building located in the town centre.

- 8
- 7
- 6
- 5
- 4
- 3
- 2 CRAWLEY BOROUGH COUNCIL
- 1 CRAWLEY BOROUGH COUNCIL
- G CRAWLEY BOROUGH COUNCIL

CONTACT



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PROFESSIONAL

**DOES YOUR VACANT
PROPERTY LOOK LIKE THIS?
ARE YOU PAYING
BUSINESS RATES?**

At SHW, our Business Rates team are specialists in securing the removal of Business Rates liability on vacant commercial property.

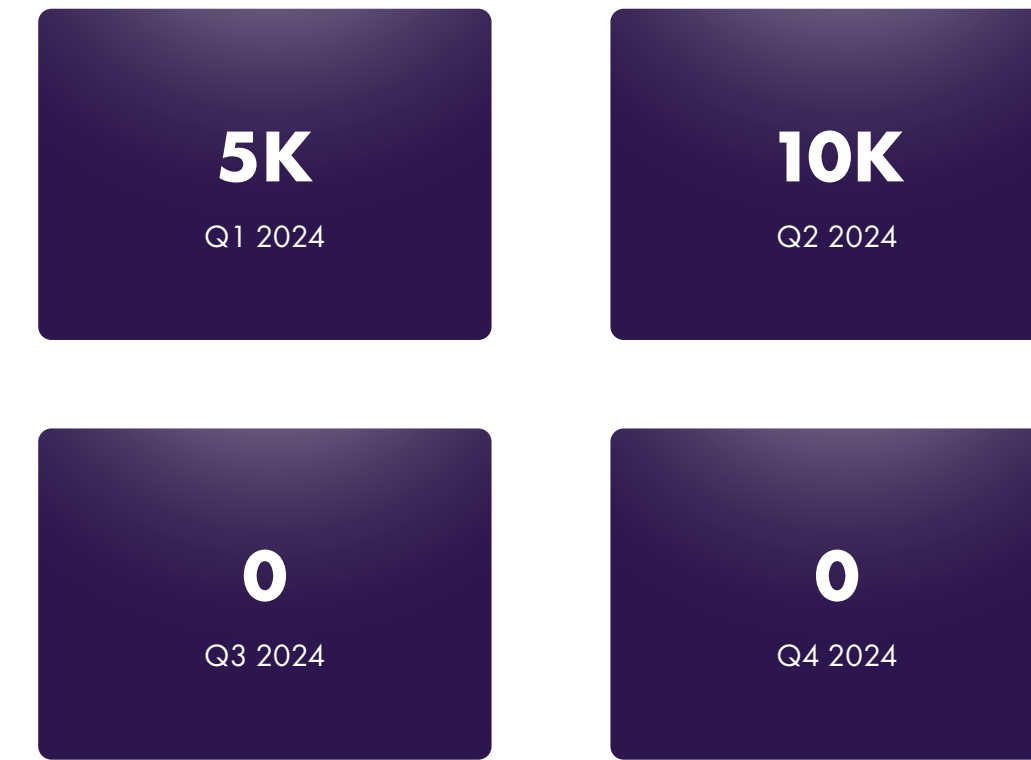
We know that Business Rates is an ever-increasing burden on landlords/developers and building owners and we do everything we can to remove this burden for our clients. If your property looks like the photo, then we can seek the complete removal of business rates and achieve a 100% discount in rates.

Speak to our experts.

RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM

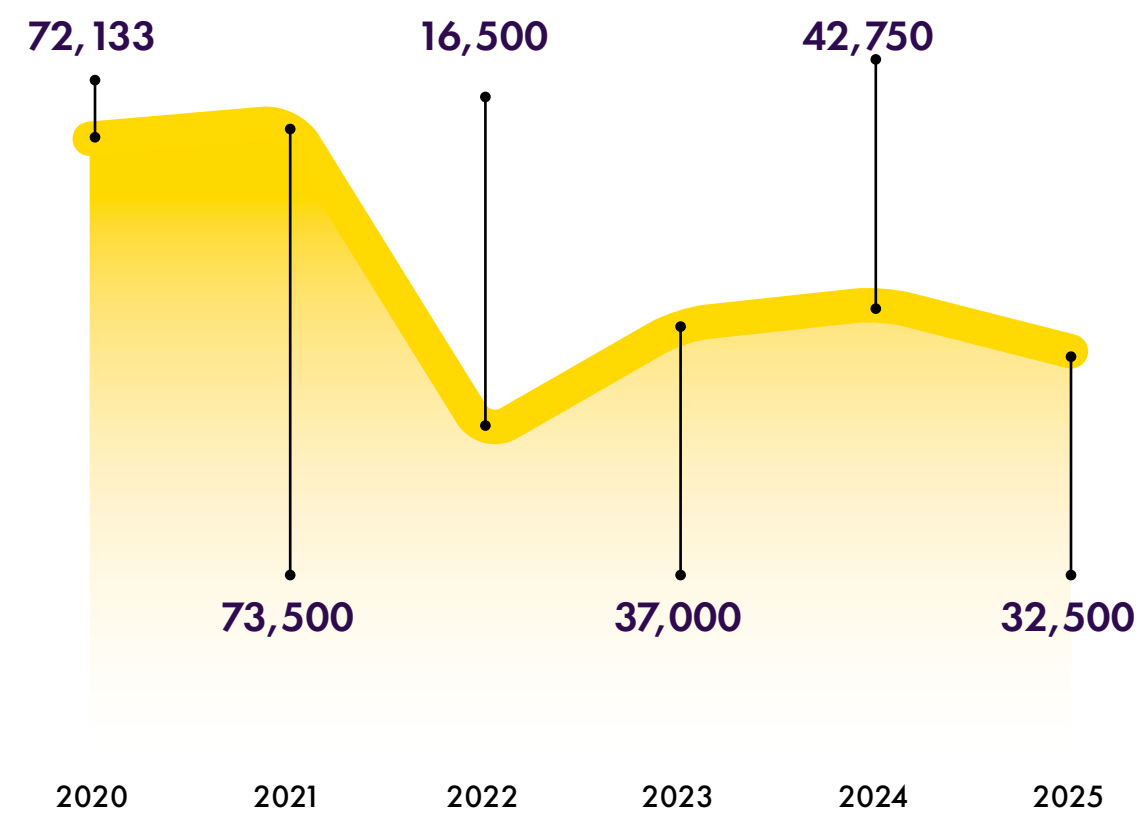
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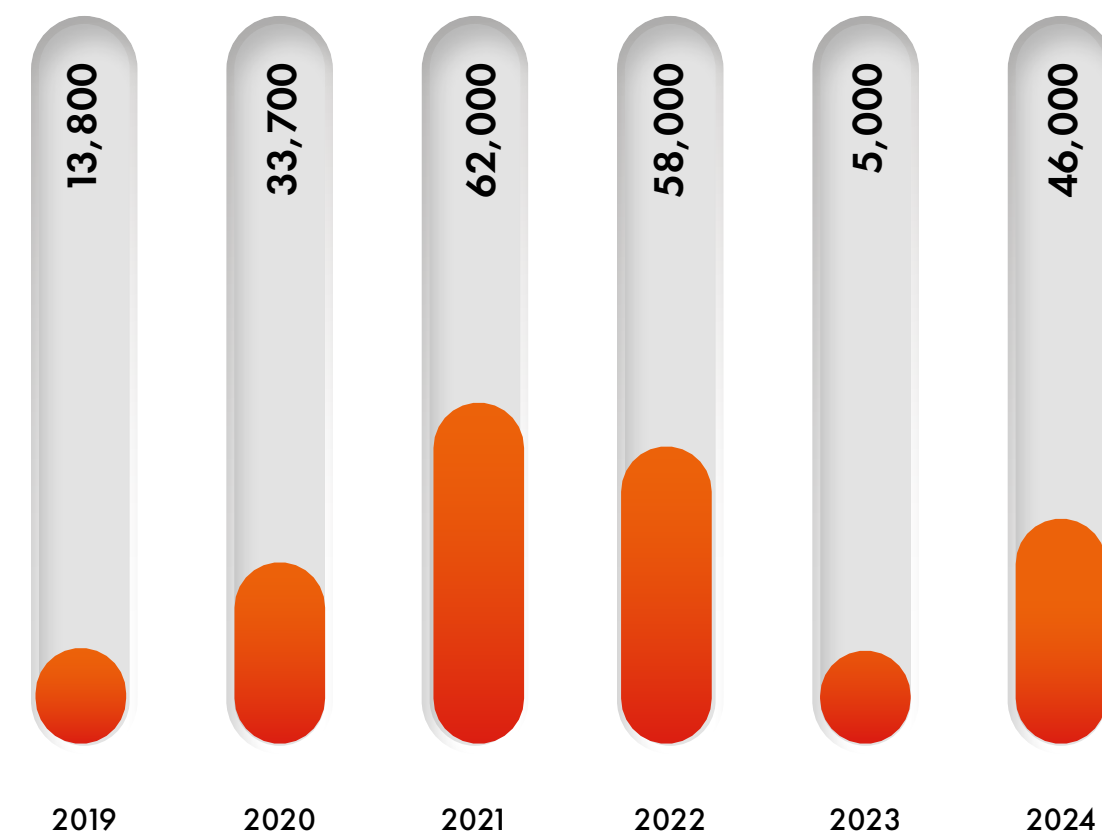
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



2.7% VACANCY

Statistics assume 5,000 sq ft and above

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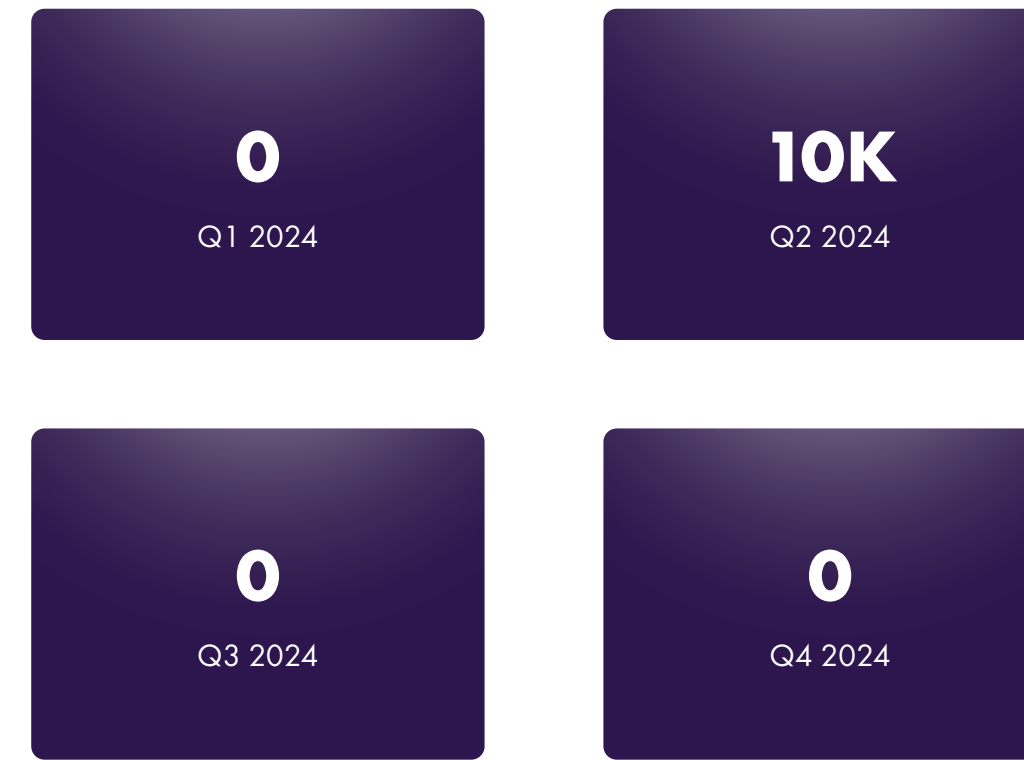
PROFESSIONAL

AGENCY

RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM



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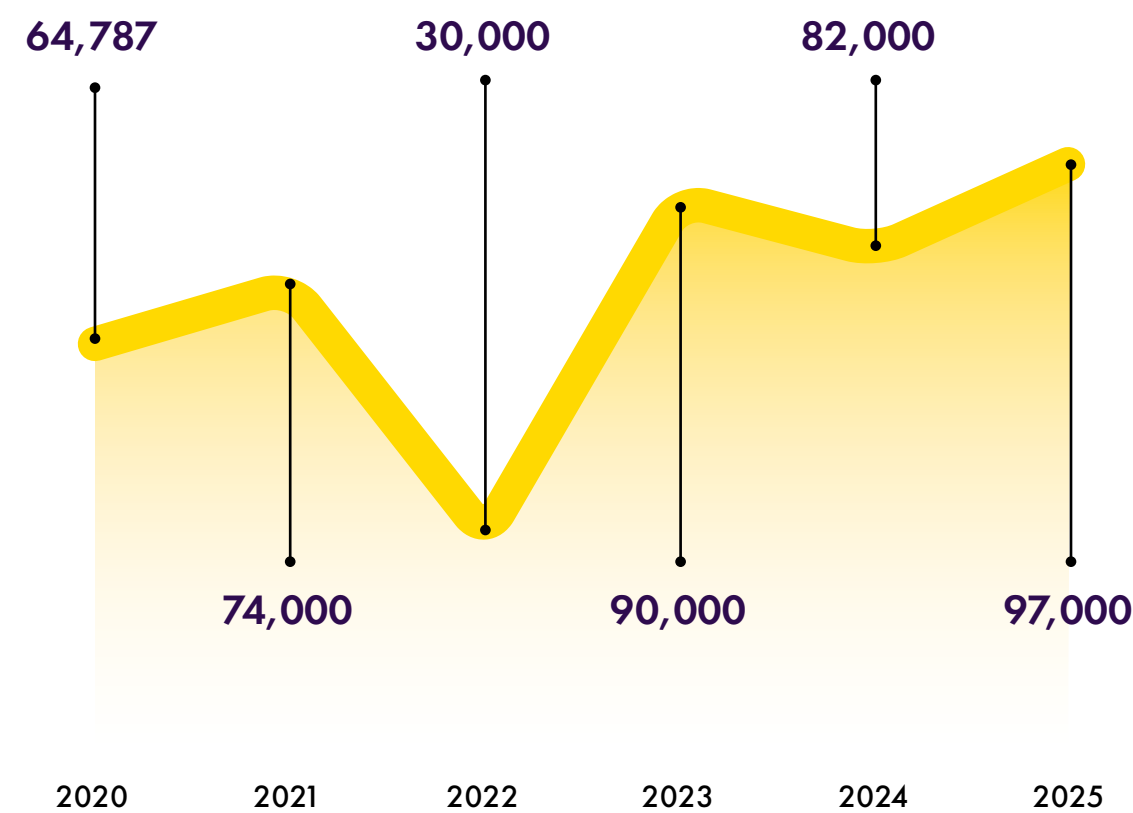
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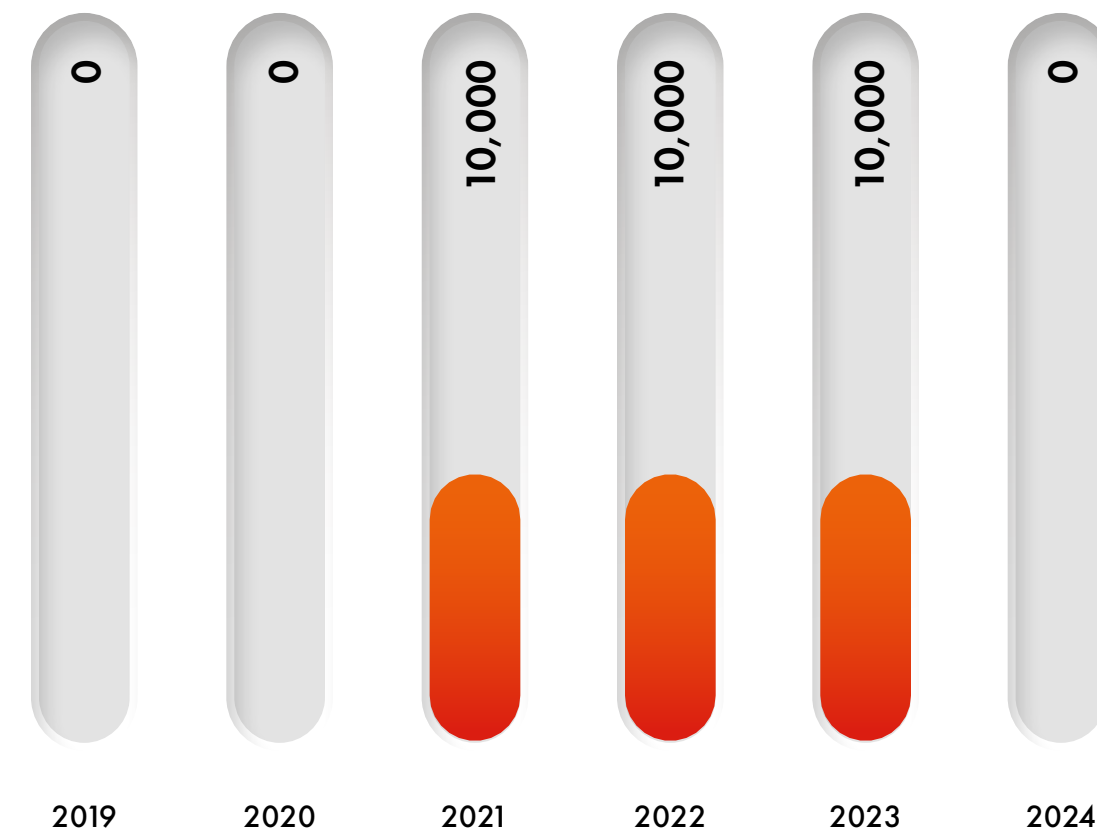
AGENCY

PROFESSIONAL

AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



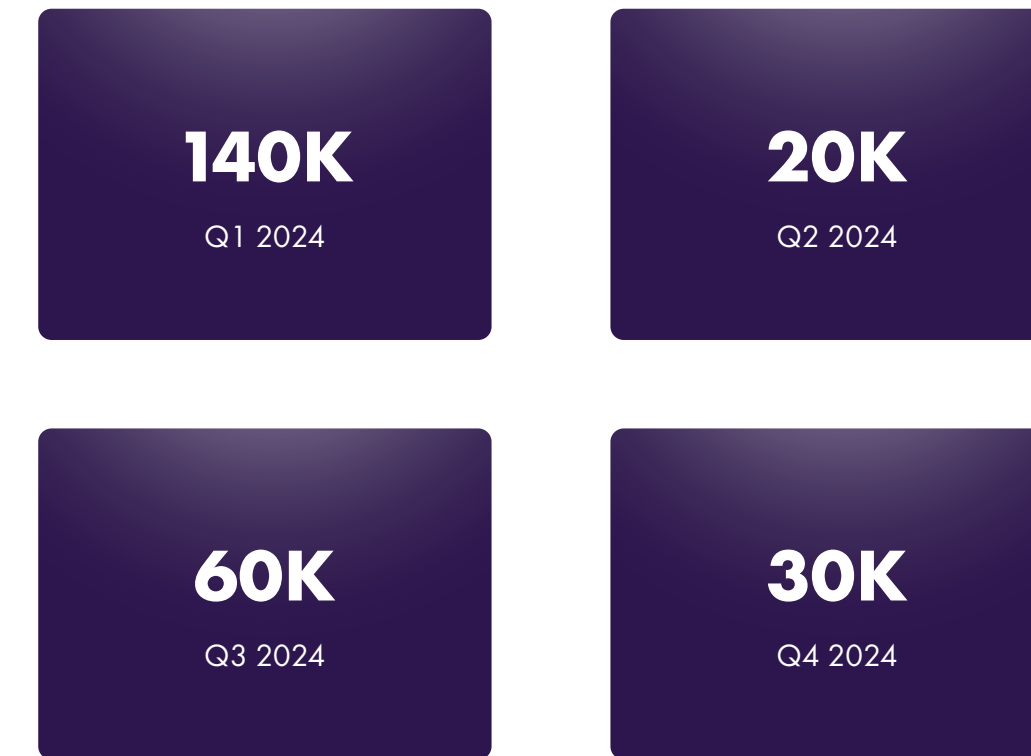
7.6% VACANCY

Statistics assume 5,000 sq ft and above

RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



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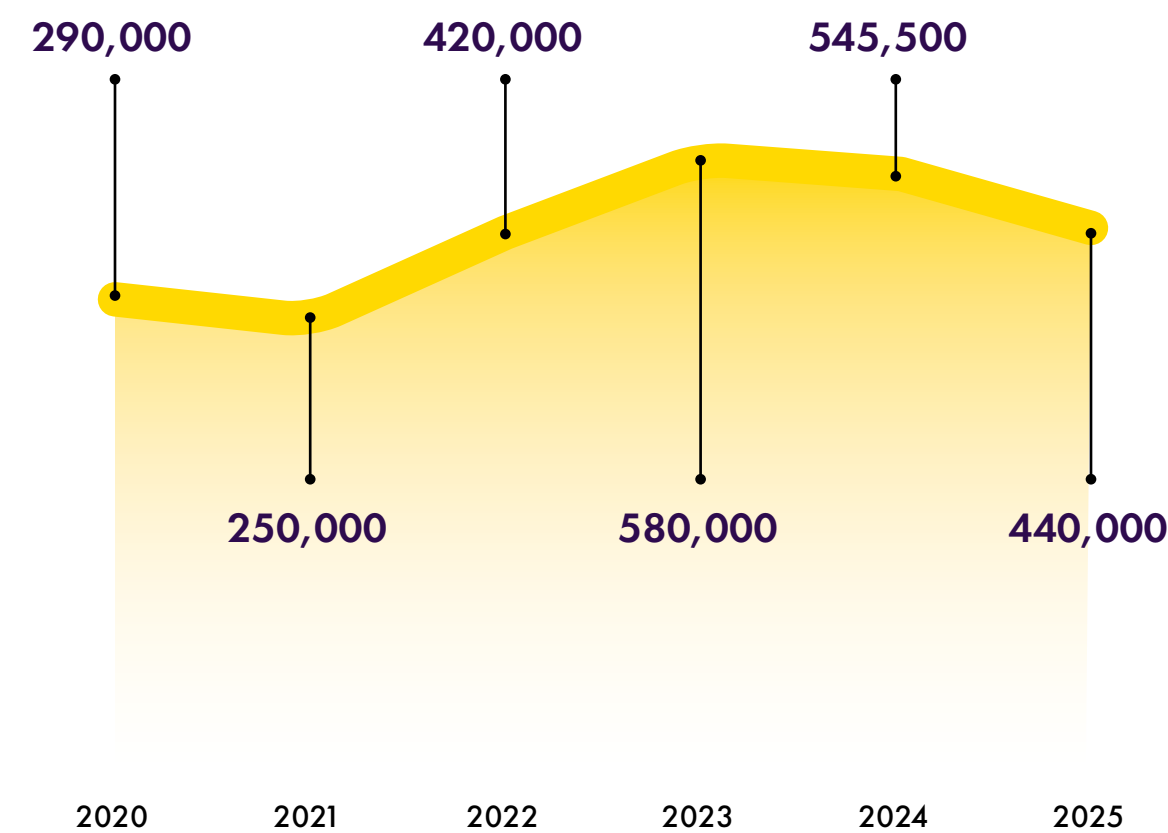


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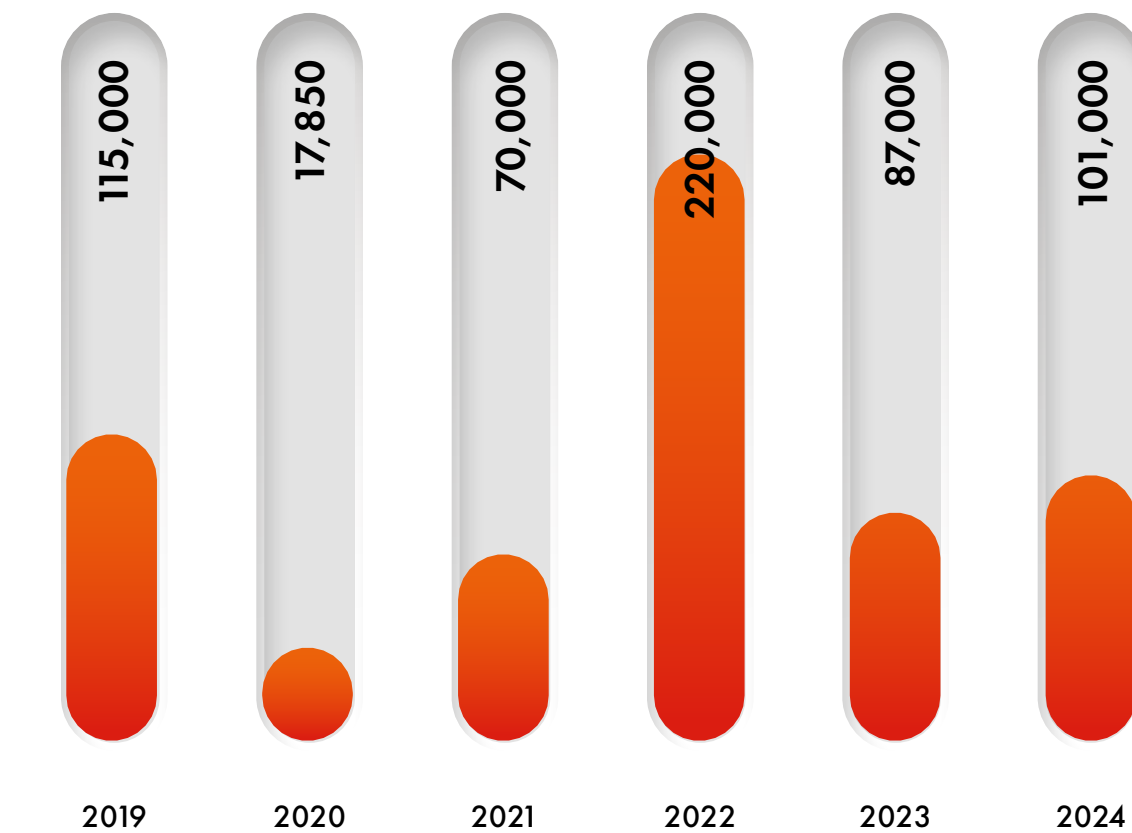


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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



10.7% VACANCY

Statistics assume 5,000 sq ft and above

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THE PORTLAND BUILDING BRIGHTON

Only one floor remaining – 6,900 sq ft 75% LET.

10 MIDDLE STREET BRIGHTON

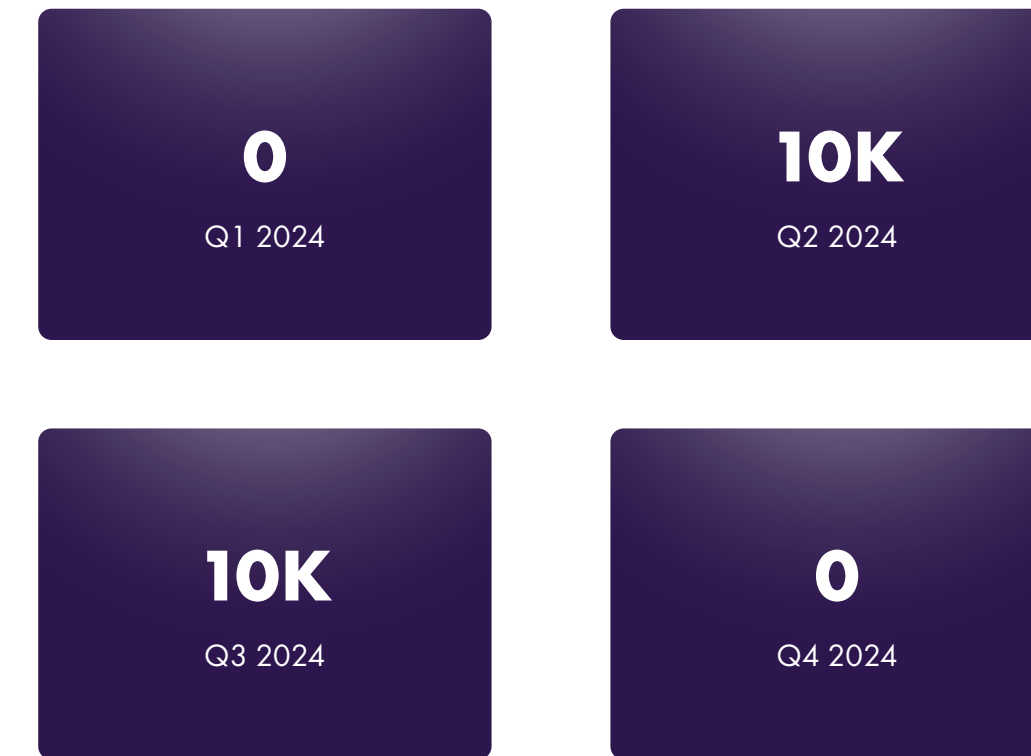
10 Middle Street 30,000 sq ft Now available
TO OCCUPY.

10 MIDDLE STREET


RENTS
(£ PER SQ FT)





LOGGED DEMAND
(SQ FT)



MEET THE TEAM

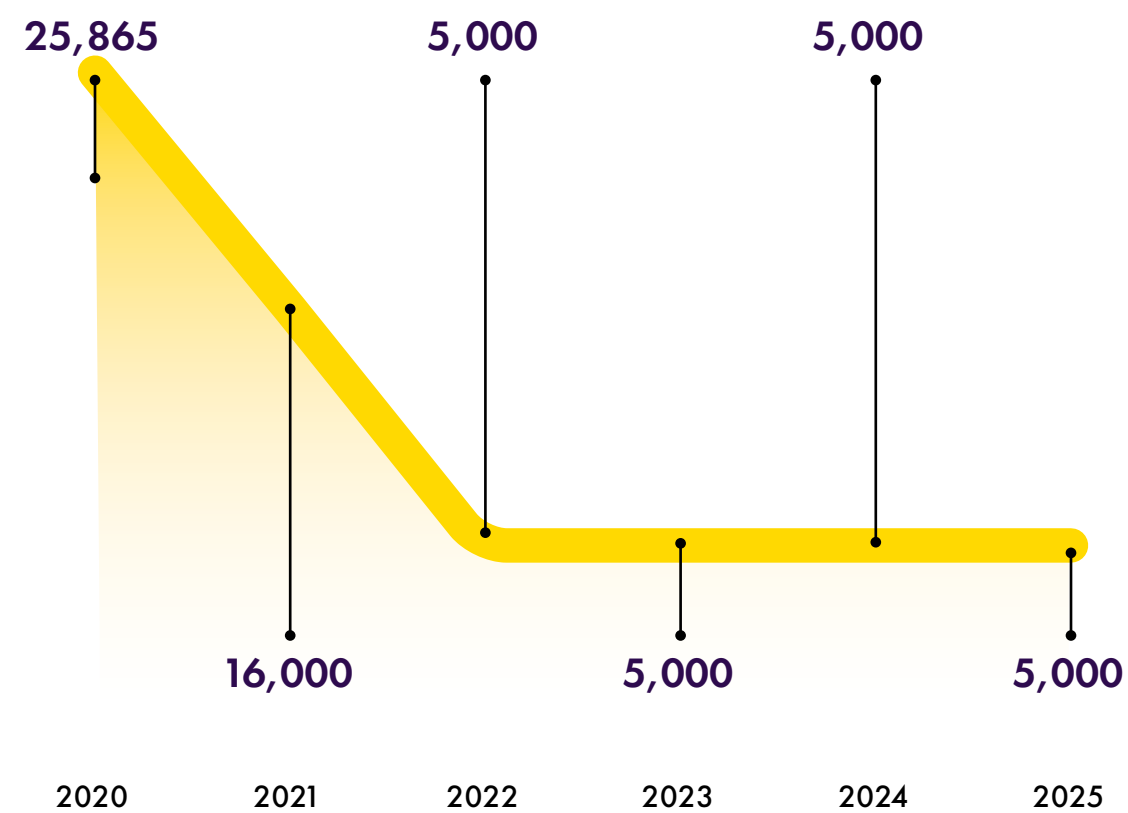
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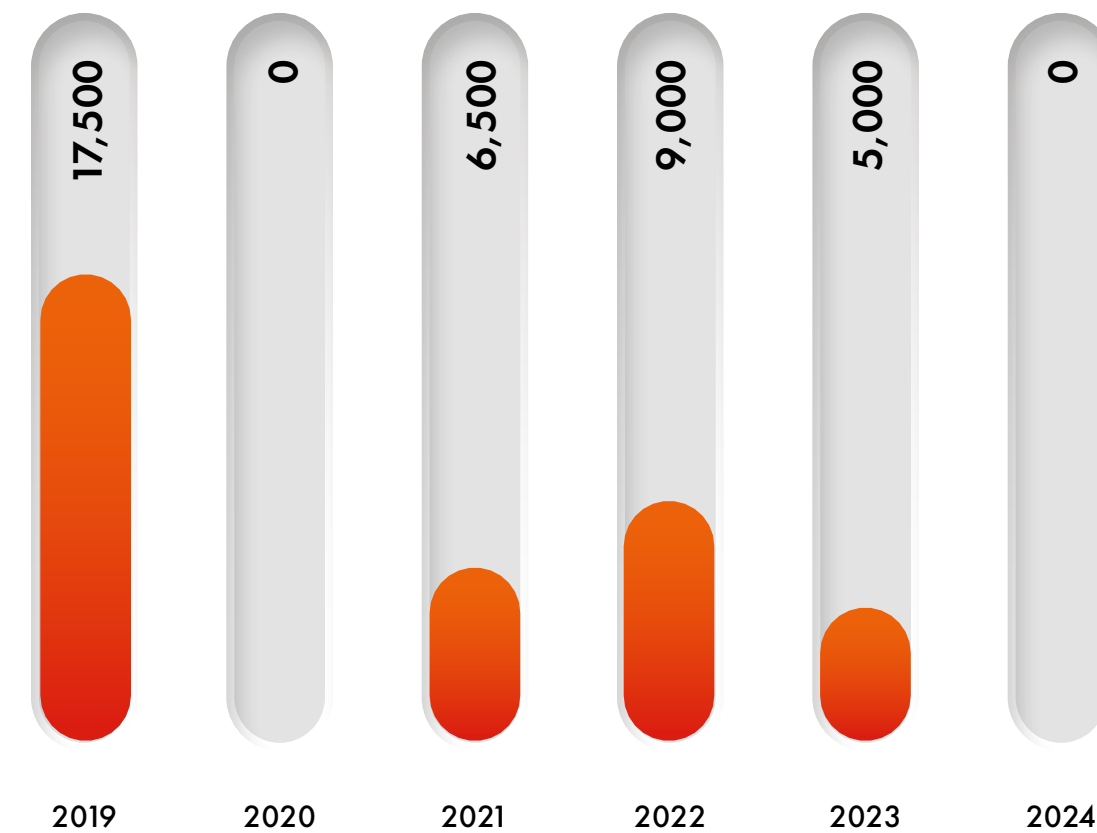
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Reece Thorsen
Surveyor
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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



0.6% VACANCY

Statistics assume 5,000 sq ft and above

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IVY HOUSE EASTBOURNE

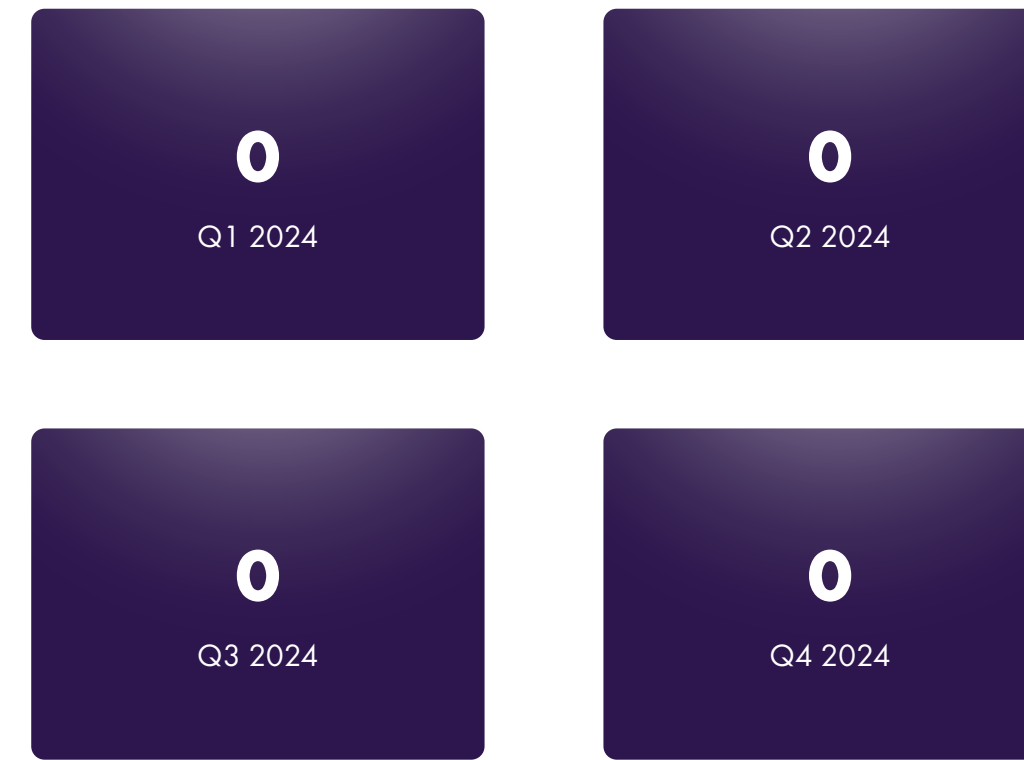
4,500 sq ft LET at £16.50 psf.



RENTS
(£ PER SQ FT)



LOGGED DEMAND
(SQ FT)



MEET THE TEAM



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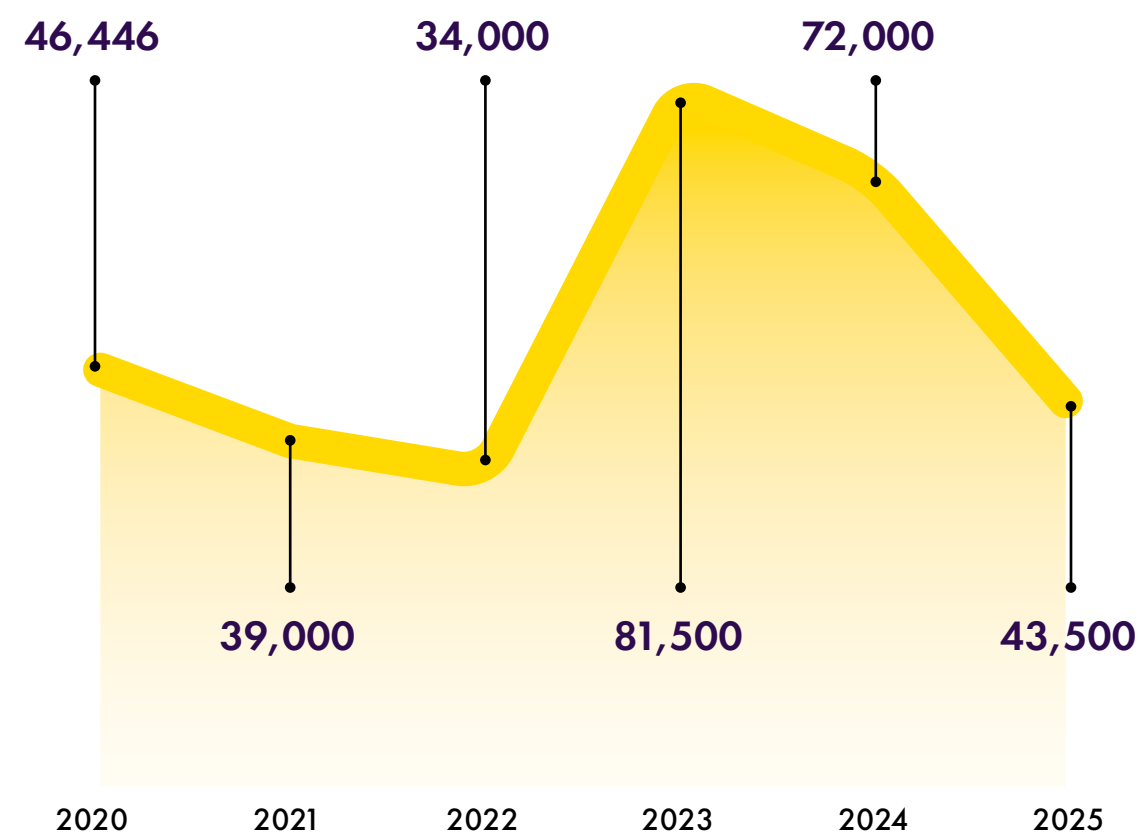


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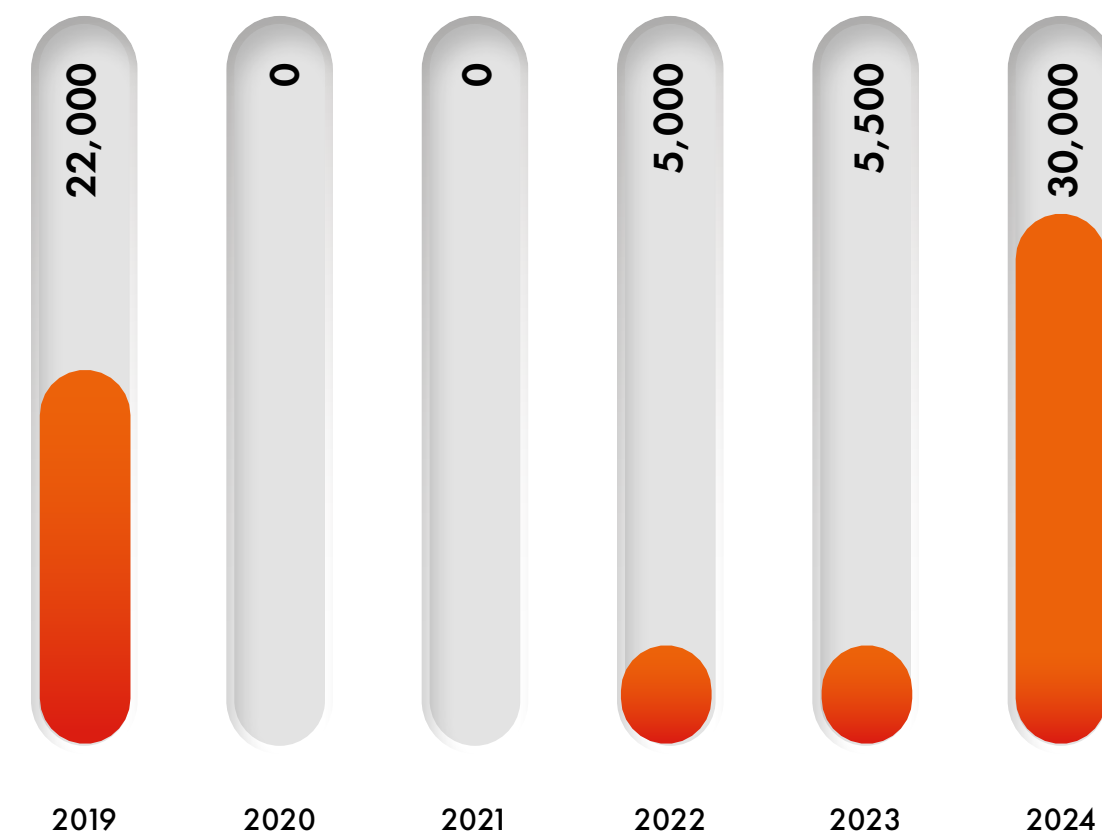


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AVAILABILITY
(SQ FT)



TAKE UP
(SQ FT PER YEAR)



NUMBER OF NEW ENQUIRIES
(PER QUARTER)



3.9% VACANCY

Statistics assume 5,000 sq ft and above

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CANNON HOUSE WORTHING

7,429 sq ft of refurbished space LET to HSBC at a new rental high of £17.50 psf.

SHW BRIGHTON

Brighton

Lees House, Brighton, East Sussex.
BN1 3FE

01273 876200 | brighton@shw.co.uk

SHW CRAWLEY/GATWICK

Crawley

Origin One, 108 High Street, Crawley,
West Sussex. RH10 1BD

01293 441300 | crawley@shw.co.uk

SHW SOUTH LONDON

Croydon

Corinthian House, 17 Lansdowne Road, Croydon.
CRO 2BX

020 8662 2700 | southlondon@shw.co.uk

SHW EAST SUSSEX

Eastbourne

Chantry House, 22 Upperton Road, Eastbourne,
East Sussex. BN21 1BF

01323 437900 | eastsussex@shw.co.uk

SHW HAMPSHIRE

Hampshire

Victoria House, 178-180 Fleet Road, Fleet,
Hampshire. GU51 4DA

01252 811011 | hampshire@shw.co.uk

SHW SW M25

Leatherhead

Wesley House, Bull Hill, Leatherhead, Surrey,
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SHW WEST SUSSEX COAST

Worthing

3 Liverpool Gardens, Worthing, West Sussex.
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SHW LONDON

London

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SHW SE M25

Bromley

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SHWPROPERTY



SHW PROPERTY

SHW

**MAKING
PROPERTY
WORK**
SHW.CO.UK