

INVESTMENT MARKET UPDATE **OFFICE FOCUS**

2025 REVIEW

20% SOUTH EAST /
GREATER LONDON
MARKET SHARE IN 2025

allsop

Allsop National Office Investment

2025

£12.90M
AVERAGE
DEAL SIZE

£232M
OF TRANSACTIONS

20%
SOUTH EAST / GREATER
LONDON OFFICE INVESTMENT
MARKET SHARE
(BASED ON C.£1.12 BN TOTAL TRANSACTION VOLUME)

£34.25M
ACQUIRED THE
LARGEST SOUTH EAST
HQ OFFICE INVESTMENT

18
TRANSACTIONS

UNRIVALLED
DOMESTIC & OVERSEAS
HNW CLIENT LIST

Allsop's National Office Snap Shot

Who is Buying

French SCPI Capital: Remains the most active cross-border buyer group, targeting well-let core+ stock with yields of 7.50%.

Middle Eastern UHNW and Israeli Capital: Focused on long-income opportunities, especially where asset quality and tenant covenant are strong.

Domestic Private Investors and PropCos: Active in both the South East and regional cities, particularly for value-add and multi-let assets in established markets.

Opportunistic Private Buyers: Focused on discounted or repositioning opportunities, especially where refurbishment or change of use can unlock value.

Who is Selling

UK Institutions: Continuing to rebalance portfolios, with a focus on disposing of non-core or secondary assets.

Receivers/Administrators: Distressed sales are emerging, particularly for assets with high vacancy or significant capex requirements.

Private Investors: Some are taking profits on resilient assets, while others are exiting legacy stock facing obsolescence or high refurbishment costs.


Off-market deals remain prevalent, especially for larger lot sizes, with many of these transactions conducted on a one-to-one basis.


Direction of Travel


2025 was a year of cautious optimism, underpinned by a clear flight to quality. Investors are prioritising prime, ESG-compliant assets in locations with resilient occupier demand.


With the uncertainty surrounding 'The Budget' at the back end of 2025 somewhat alleviated, and the Bank of England opting to cut the base rate in the December, there is ground for further optimism. With a further base rate cut expected in February this year, investor liquidity / demand will continue to grow as the arbitrage between yields and debt is leveraged.


 **High-quality, well-located stock** is increasingly scarce, with new development pipelines constrained, supporting premium rents for Grade A assets.

 **Asset quality and ESG compliance** are now **baseline requirements**, with 'Excellent' and EPC A/B ratings expected as standard.

 The **pricing gap** between best-in-class and legacy stock is widening, with secondary yields now between **10.00%** and **12.50% NIY** (softer for larger lots), while prime yields have stabilised at **7.25%–7.50%**.

 **Out-of-town**, poor-quality assets requiring near-term capex have seen the greatest pricing softening, with **investor interest increasingly** dictated by lot size and micro-location.

 Businesses are once again viewing office environments as **essential hubs for collaboration and culture**, with nearly three-quarters of occupiers relocating within the same city choosing to **increase their office space** in 2025.

 **Income return** is re-emerging as the **primary performance driver**, with modest capital **growth expectations**.

 The market is expected to remain highly selective, with a **growing divergence** between best-in-class and legacy stock **shaping investment strategies**.

Allsop's 2025 National Office Investment Transactions

South East Office Portfolio – 6 Offices

Disposal

OFF
MARKET

Transaction Date:	Under Offer
Price:	£39.0m
NIY:	11.90%
Cap Val (per sq ft):	£194
Tenancy Details:	Multi-let
AWULT:	2.5 years

Quilter HQ, Southampton

Acquisition



Transaction Date:	Exchanged
Price:	£27.3m
NIY:	8.30%
Cap Val (per sq ft):	£252
Tenancy Details:	Single-let
AWULT:	10.7 years

The White Building, Reading

Acquisition



Transaction Date:	Exchanged
Price:	£13.25m
NIY:	15.71%
Cap Val (per sq ft):	£138
Tenancy Details:	Multi-let
AWULT:	2.2 years

Reckitt HQ, 6 Roundwood Avenue, Stockley Park

Acquisition



Transaction Date:	December 2025
Price:	£20.51m
NIY:	9.00%
Cap Val (per sq ft):	£369
Tenancy Details:	Single-let
AWULT:	10 years

Building One Abbey View, St Albans

Acquisition



Transaction Date:	December 2025
Price:	£8.69m
NIY:	8.55%
Cap Val (per sq ft):	£456
Tenancy Details:	Multi-let
AWULT:	3.4 years

Allsop's 2025 National Office Investment Transactions

The Work of Art Portfolio - Package of 3 Greater London Offices

Disposal

OFF
MARKET

Transaction Date:	November 2025
Price:	£42m
Av. NIY:	8.42%
Av. Cap Val (per sq ft):	£295
Tenancy Details:	Multi-let
AWULT:	2 years

Elekta HQ, Crawley

Acquisition



Transaction Date:	July 2025
Price:	£34.25m
Av. NIY:	8.66%
Av. Cap Val (per sq ft):	£308
Tenancy Details:	Single-let
AWULT:	12 years

The Shipping Building, Hayes

Disposal



Transaction Date:	October 2025
Price:	£8.1m
NIY:	n/a
Cap Val (per sq ft):	£80
Tenancy Details:	Multi-let
AWULT:	1 year

The Entertainer HQ, Teal House, Amersham

Disposal



Transaction Date:	September 2025
Price:	£4.525m
NIY:	9.95%
Cap Val (per sq ft):	£203
Tenancy Details:	Single-let
AWULT:	5 years

7 Park Square, Leeds

Acquisition



Transaction Date:	July 2025
Price:	£5.543m
NIY:	7.79%
Cap Val (per sq ft):	£305
Tenancy Details:	Single-let
AWULT:	5 years

The Yard, Maidenhead

Acquisition



Transaction Date:	June 2025
Price:	£6.15m
NIY:	9.33%
Cap Val (per sq ft):	£337
Tenancy Details:	Multi-let
AWULT:	4.2 years

Allsop's 2025 National Office Investment Transactions

QWest Great West Road, Brentford **Disposal**



Transaction Date:	April 2025
Price:	£10.25m
NIY:	9.50%
Cap Val (per sq ft):	£215
Tenancy Details:	Multi-let
AWULT:	2 years

One Suffolk Way, Sevenoaks **Disposal**



Transaction Date:	April 2025
Price:	£6.1m
NIY:	8.28%
Cap Val (per sq ft):	£380
Tenancy Details:	Multi-let
AWULT:	4.8 years

Capital Court, Uxbridge **Acquisition**



Transaction Date:	March 2025
Price:	£7.65m
NIY:	11.93%
Cap Val (per sq ft):	£134
Tenancy Details:	Multi-let
AWULT:	4.5 years

Greenwood House, Chelmsford **Acquisition**



Transaction Date:	March 2025
Price:	£5.6m
NIY:	10.88%
Cap Val (per sq ft):	£108
Tenancy Details:	Multi-let
AWULT:	0.7 years

St Johns Place, High Wycombe **Disposal**



Transaction Date:	March 2025
Price:	£5.575m
NIY:	10.85%
Cap Val (per sq ft):	£217
Tenancy Details:	Multi-let
AWULT:	3.3 years

B4 Dorking Business Park, Dorking **Acquisition**



Transaction Date:	March 2025
Price:	£3.3m
NIY:	10.45%
Cap Val (per sq ft):	£255
Tenancy Details:	Multi-let
AWULT:	3.3 years

Clapham North Arts Centre, Clapham **Acquisition**



Transaction Date:	February 2025
Price:	£16m
NIY:	n/a
Cap Val (per sq ft):	£421
Tenancy Details:	Multi-let
AWULT:	1 year

290-298 Mare Street, Hackney **Disposal**



Transaction Date:	January 2025
Price:	£7.555m
NIY:	7.36%
Cap Val (per sq ft):	£373
Tenancy Details:	Multi-let
AWULT:	2 years

Allsop National Investment

THE ALLSOP ADVANTAGE

208

COUNTRIES OR
TERRITORIES REACHED

MARKET LEADERS IN THE
**£10-£50M
MARKET**

WITH AN UNRIVALED
HNW INVESTOR CLIENT LIST

80,000+

REGISTERED
INVESTORS

OVER
250 YEARS

COMBINED
MARKET EXPERIENCE

**GLOBAL
PARTNERSHIPS**

WITH CITI PRIVATE BANK
AND MILLENNIUM GROUP

Driven by insight.
Delivered by people.
Powered by AI.

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We **know** the buyers



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Energy, Expertise and
Exceptional contacts.

Bringing property & people together

Services

Asset Management

Auctions

Build to Rent

Business Rates

Development Agency & Advisory

Investment Sales & Acquisition

Lease Advisory

Letting & Management

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Receivership

Student Housing

Valuation

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