

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.

 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%**.

 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.

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

 **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.

 **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



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



Transaction Date:	Exchanged
Price:	c.£30m
NIY:	8.30%
Cap Val (per sq ft):	£252
Tenancy Details:	Single-let
AWULT:	10.7 years



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



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



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

OVER
250 YEARS
COMBINED
MARKET EXPERIENCE

MARKET LEADERS IN THE
**£10-£50M
MARKET**
WITH AN UNRIValed
HNW INVESTOR CLIENT LIST

**GLOBAL
PARTNERSHIPS**
WITH CITI PRIVATE BANK
AND MILLENNIUM GROUP

80,000+
REGISTERED
INVESTORS

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

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Investment Sales & Acquisition
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Valuation

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