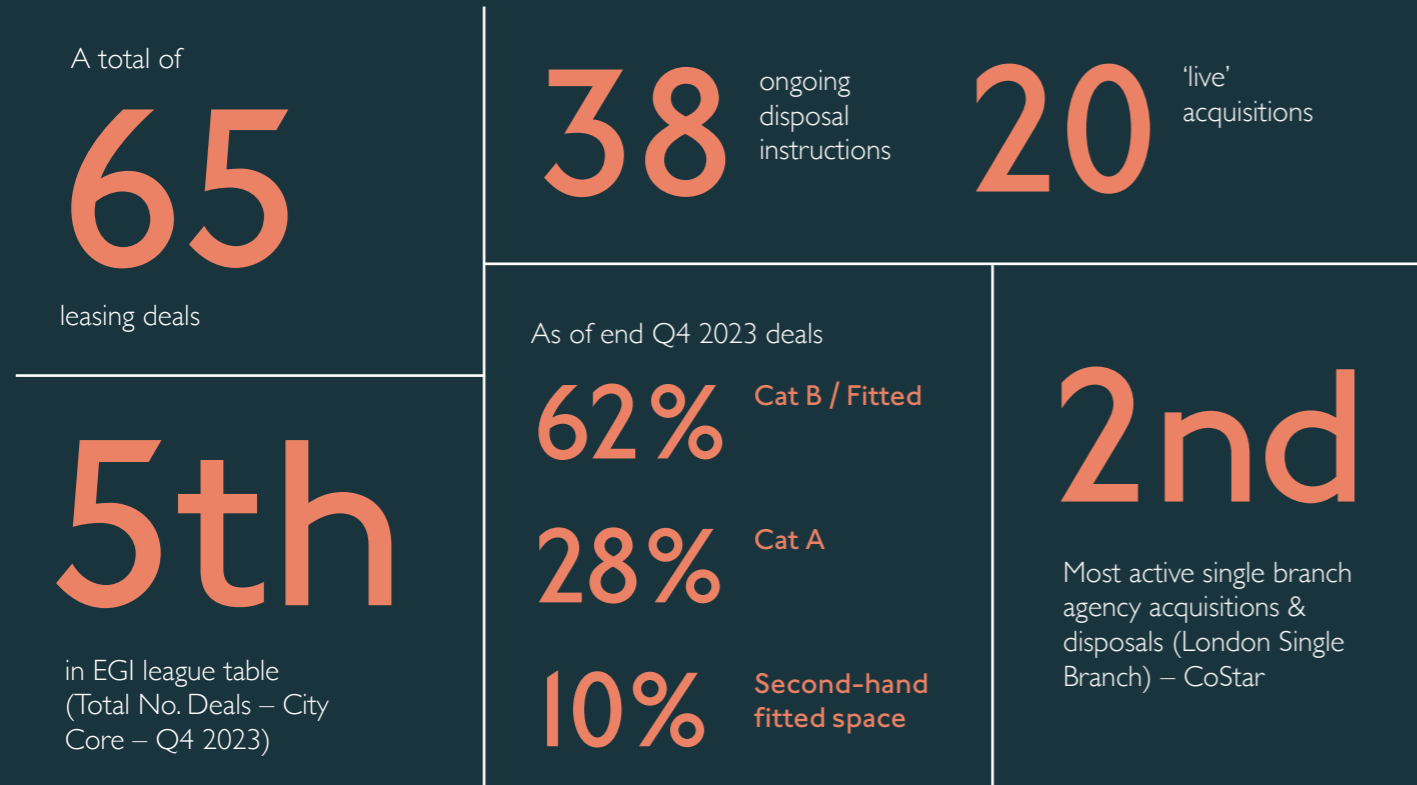


# Quarterly Snapshot

A look at our news and views on the City Office Market

## Newton Perkins – Key Stats for 2023



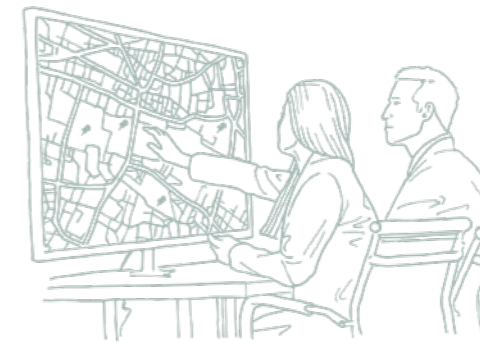
## Our Market Review of 2023

As we look back at 2023 and review the year, we are somewhat buoyed by the market and what lies in store for 2024.

The City market witnessed a busy last quarter which recorded over 2 million sq ft of space transacted. This in turn was c.50% higher than the 1.5 million sq ft transacted in Q3. Even more encouraging was the final office take-up figure of c. 6 million sq ft across 2023, which was over 10% higher than the total figure recorded in 2022 and over 5% above the 10 year average. This seems at odds with some of the 'doom and gloom' press articles published which have pointed towards the demise of the office and reluctance for staff to return to work.

When we delve further into the stats we not only see the increased take-up of space but also the clear preference, by occupiers, for newly refurbished or newly built offices. Recent stats show that 'New Build' supply ended the year reflecting only a 1.4% vacancy

rate! Whereas second-hand tenant space equated to c.30% of the total supply in the market. So it seems occupiers are not only returning to work but also clearly seeking 'best-in-class' office space that meets the demands of their staff and environmental aspirations. As we start 2024, we feel this trend is set to continue, certainly in certain sought-after postcodes, with demand possibly outstripping the current and future supply



of newly built/refurbished office space.

Newton Perkins had another solid year having completed on 372,000 sq ft of lettings, reflecting a total of 65 leasing deals. Interestingly, of the 65 deals we completed, almost 62% of those were for space which was either fitted or furnished (Landlord Cat B), with 28% for new Grace A and the remaining 10% for second-hand fitted space. The largest of our deals was a c. 50,000 sq ft letting at 40 Leadenhall Street, acting on behalf of Acrisure Insurance. The latest EGI league tables have come out and Newton Perkins have secured 5th position for most active agency (total number of deals) across the City market and top spot for most active agent (No. of deals) for the EC3 Submarket. Even more pleasing was the recognition of being the '2nd most active niche agency firm across the whole of London' (total number of transactions completed in 2023). Not a bad way to finish the year!

Nick Russell-Smith (Partner)

## My Square Mile... with Hannah Poole, British Land



### What's your connection to the City of London's real estate market?

British Land own and manage 23.1m sq ft of office space in central London with 4.5m sq ft of this located on our Broadgate Campus in the City of London. As a senior leasing manager in our offices team I am responsible for leasing transactions across our portfolio, including Broadgate, and work closely with our development teams to design our office spaces.

### What are the main changes in the real estate market that you have noticed over the last few years?

The role of the office has been thrown into focus over the last few years and accelerated the view that it should be an environment for innovation and collaboration, putting greater focus on workplace design, strong amenity offerings and curating environments that extend beyond the office. In addition, sustainability is now at the forefront of occupier's minds and a key consideration in decision making. Strong ESG credentials are now essential, and occupiers are looking at how their physical real estate can support their corporate strategies from both an environmental and social perspective, and this has resulted in more collaboration between the landlord and occupier to ensure this is achieved.

### How are British Land responding to these?

Our Broadgate campus is a great example of how we are investing in both our buildings and our public spaces to support our customers, where our development is focused on limiting carbon impact while providing best in class amenities. For example, following the delivery of our first net zero building at 100 Liverpool St, we are now working

in close partnership with JLL to deliver the most sustainable workspace in the UK for their new London HQ at 1 Broadgate. We also continually invest in our public spaces, most recently with the delivery of a new 1.5 acre park in Exchange Square and look to facilitate partnerships between our customers and the local communities in which they reside through initiatives such as our Broadgate Community Fund.

### What improvements do you think could be made to attract occupiers to the square mile?

There are a lot of great amenities in the City focused on leisure and dining, but with an increasing focus from businesses and their employees on health and wellbeing it would be great to see more green public spaces for people to enjoy in their lunch breaks, or after work.

### What's your favourite spot for lunch or dinner in the City?

I am biased but currently it's Back to Mine in Exchange Square for after work drinks!

## Top Picks of the Quarter

Take a look at some of our leasing instructions

### 36 Leadenhall

1,285 – 15,994 sq ft



ARRIVING MAR 24

### 30 Fenchurch Street

13,643 sq ft



14TH FLOOR PENTHOUSE

### 81 Gracechurch Street

3,159 sq ft



WHOLE 3RD FLOOR

### 33 Creechurch

560 – 7,781 sq ft



NEW CAT B

### Commodity Quay

10,608 sq ft – 22,222 sq ft



UNIQUE SELF CONTAINED

### 3 New Drum Street

3,212 – 19,434 sq ft



NEW CAT B FLOORS

# Changes to Business Rate Taxation Policy

Over the Christmas period the Government quietly released a new policy in connection with business rates.

The change in policy concerns property owners who refurbish their properties being faced with a full rates charge once they have completed the works.

This new policy change will allow Councils to serve a completion notice on a refurbished property in their area which will result in an assessment for business rates even if the property is not yet ready for occupation.

Prior to this policy change completion notices, in the main could only be served by Councils on new buildings in CAT A specification that would then deem that on a certain future date the building would be

assumed to be completed and therefore assessed for business rates.

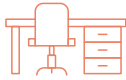
Councils can now use the policy change to issue a Completion Notice on a refurbished property as soon as it reaches a CAT A condition, assessing the property for business rates earlier. This will create a rates liability for developers/landlords when potentially there is no tenant and therefore no rental income.

For further information on this policy change please contact **James Clarke MRICS, Partner & Head of Professional Services** at [jc@newtonperkins.com](mailto:jc@newtonperkins.com) or **07764969786**.

## Our Expertise



Office Leasing



Office Acquisitions



Investment & Sales



Serviced and Co-Working Acquisitions



Development



Rent Reviews, Arbitrations & Lease Restructuring



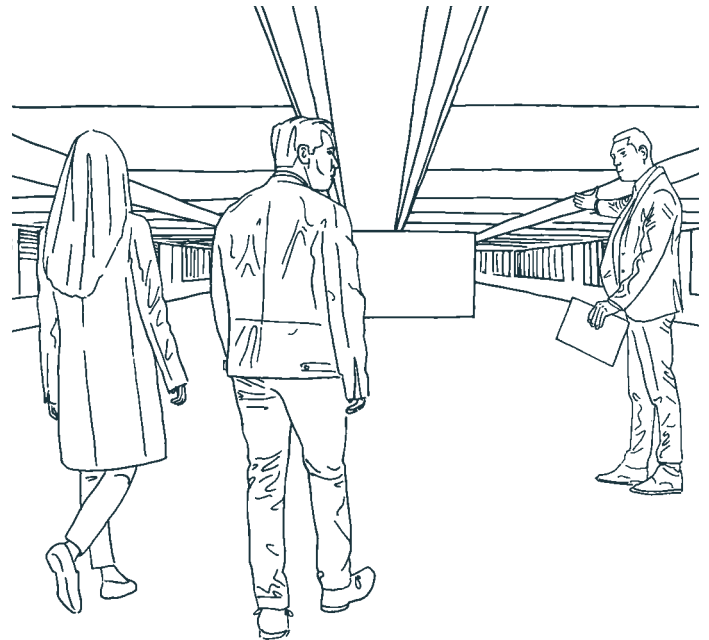
Property Management



Business Rates



Dilapidations



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