

Rental Index - Q1: 2018 Central London: Grade A

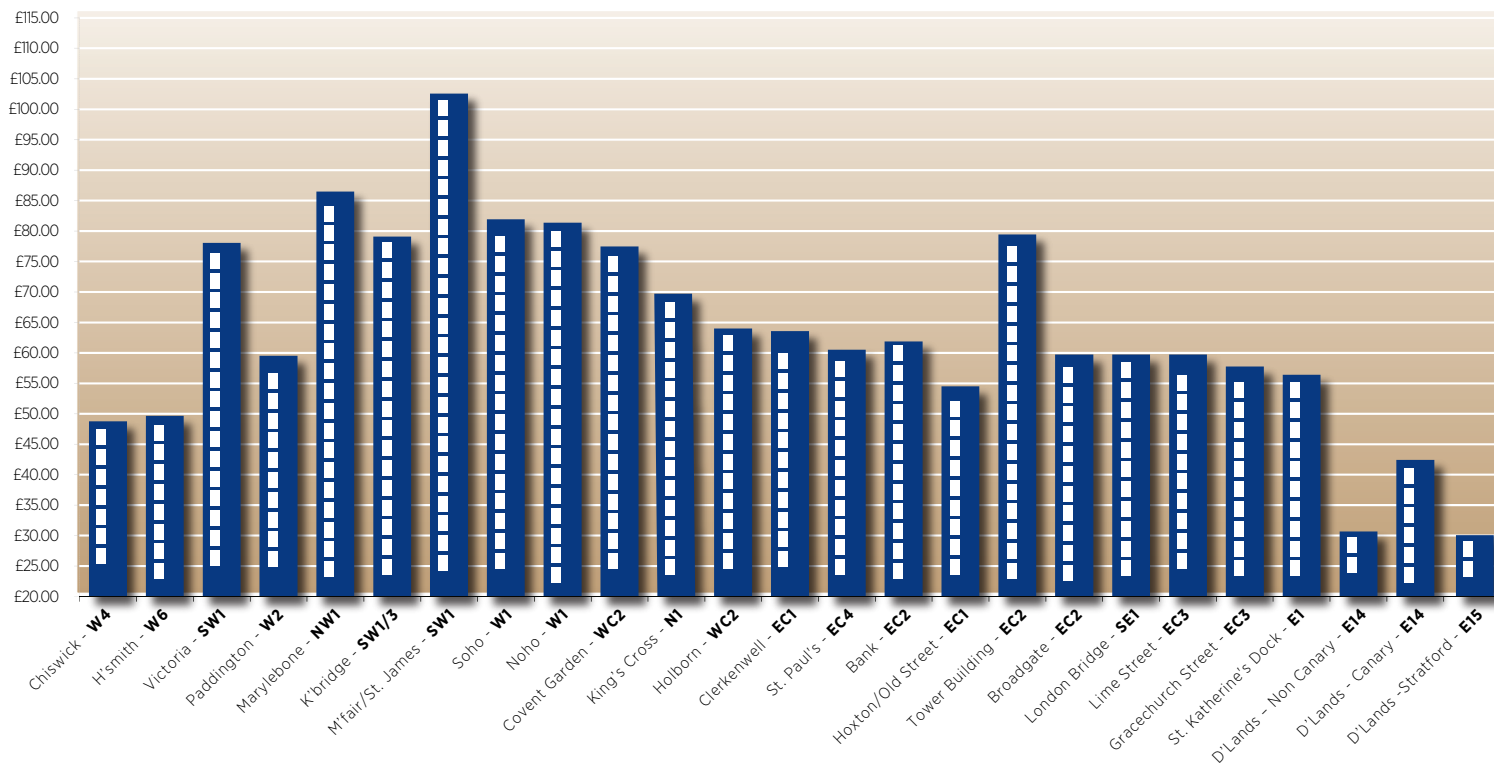
Summary

- Last quarter headline rentals fell again across central London by 0.91%, producing a fall over the last year of 3.91%
 - **West End:** fell by 1.41% (year 4.56%)
 - **City Core:** fell by 1.12% (year 4.58%)
 - **City Fringe North:** fell by 0.96% over the quarter (year 2.79%)
- The average rent (now at £63.35 per sq ft) has fallen from £63.99 per sq ft last quarter and from £65.60 per sq ft from the start of last year
- A note of caution: last quarter we saw the biggest spread of opinion of those surveyed, averaging £4.50 per sq ft. This now stands at £2.00 per sq ft - the biggest differences are within West End Central, Marylebone and Holborn/Clerkenwell. This is borne out by the market where some units are letting well and quickly whilst others of similar quality are struggling
- Downward pressure on rents continues as despite an upward shift in take up, the amount of second hand space on the market has increased by 38% over the last year to 11.3M sq ft and now represents 41% of availability*. This is further masked by rent-free incentive packages (see overleaf).

*EGi Loma report Q3 2017

Headline Rent

(per sq ft per annum exclusive)



Compiled by Matthews & Goodman Market Watch Unit

Definitions:

- **City:** St. Paul's (EC4); Bank (EC2); Tower Build. (EC2); Broadgate (EC2); Lime Street (EC3); Gracechurch St. (EC3)
- **City Fringe North:** Holborn (WC2); Clerkenwell (EC1); Hoxton/Old Street (EC1)
- **West End:** Knightsbridge (SW1/3); Mayfair/St. James (SW1); Soho (W1); Noho (W1); Covent Garden (WC2)
- **Central London:** all districts from Chiswick (W4) to Docklands-Stratford (E15)

For more information on rent



City
Richard Clarke
t. 020 7367 5530
E-mail

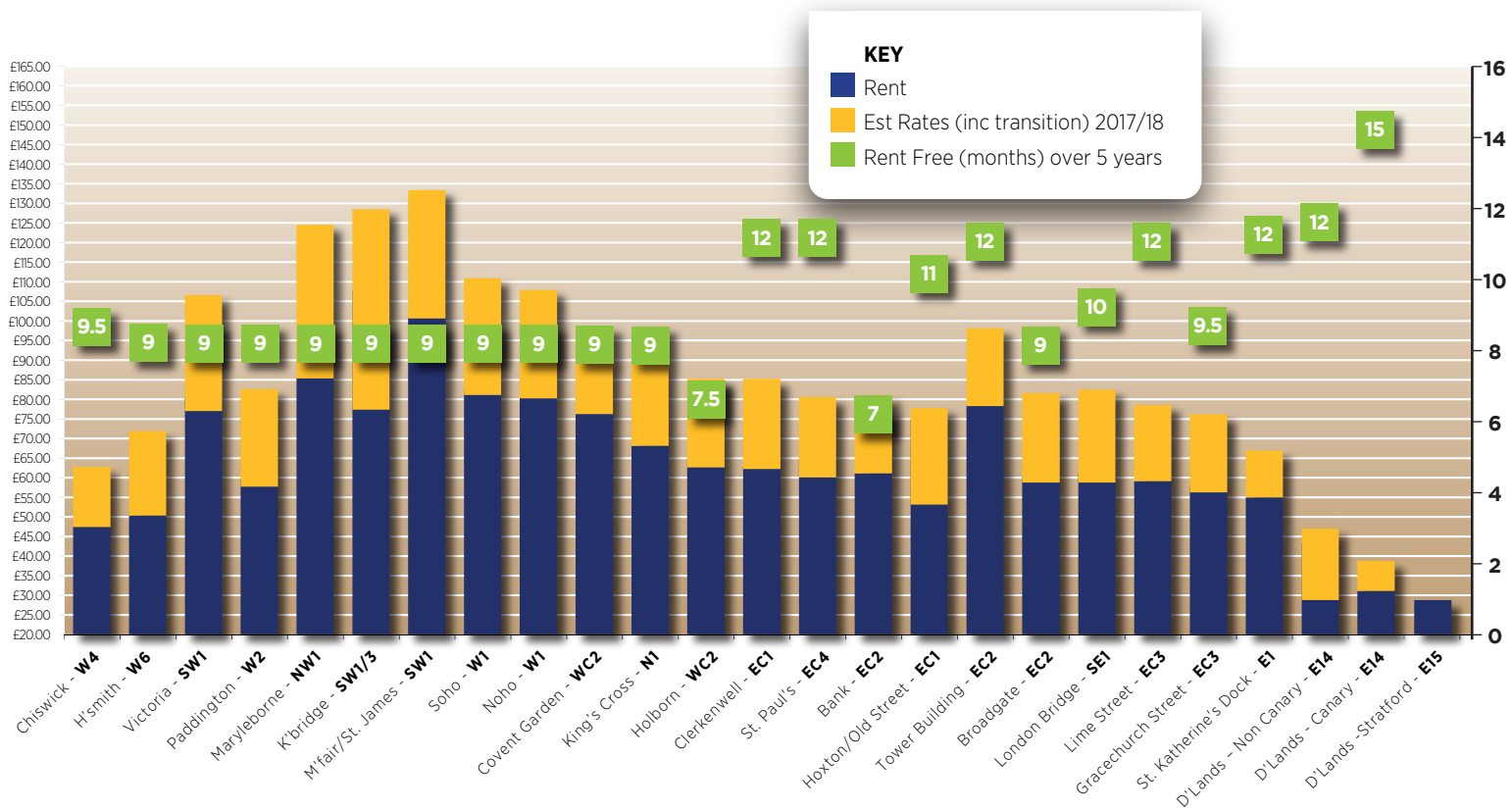


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Rent Free Periods & Rates Payable Central London: Grade A

Summary

- Rent free periods have increased across Central London over the last 6 months – they are now on average 43 weeks (10 months) for a 5-year lease.
 - West End:** average 39 weeks (27 weeks Q1 2017)
 - City Core:** average 40 weeks (30 weeks Q1 2017)
 - City Fringe North:** average 34 weeks (24 weeks Q1 2017)



Compiled by Matthews & Goodman Market Watch Unit

Note:

- This information is based on assumptions made for the period YC April 2017-March 2018
- Macro economic assumptions:
 - Annual inflation target 2%
 - UBR 47.9p (incl small business supplement)
 - Crossrail supplement 2p
 - City of London Security Levy 0.5p
 - Transition cap 'large, upward' (42%)

For more information



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