

Rental Index - Q2: 2018 Central London: Grade A

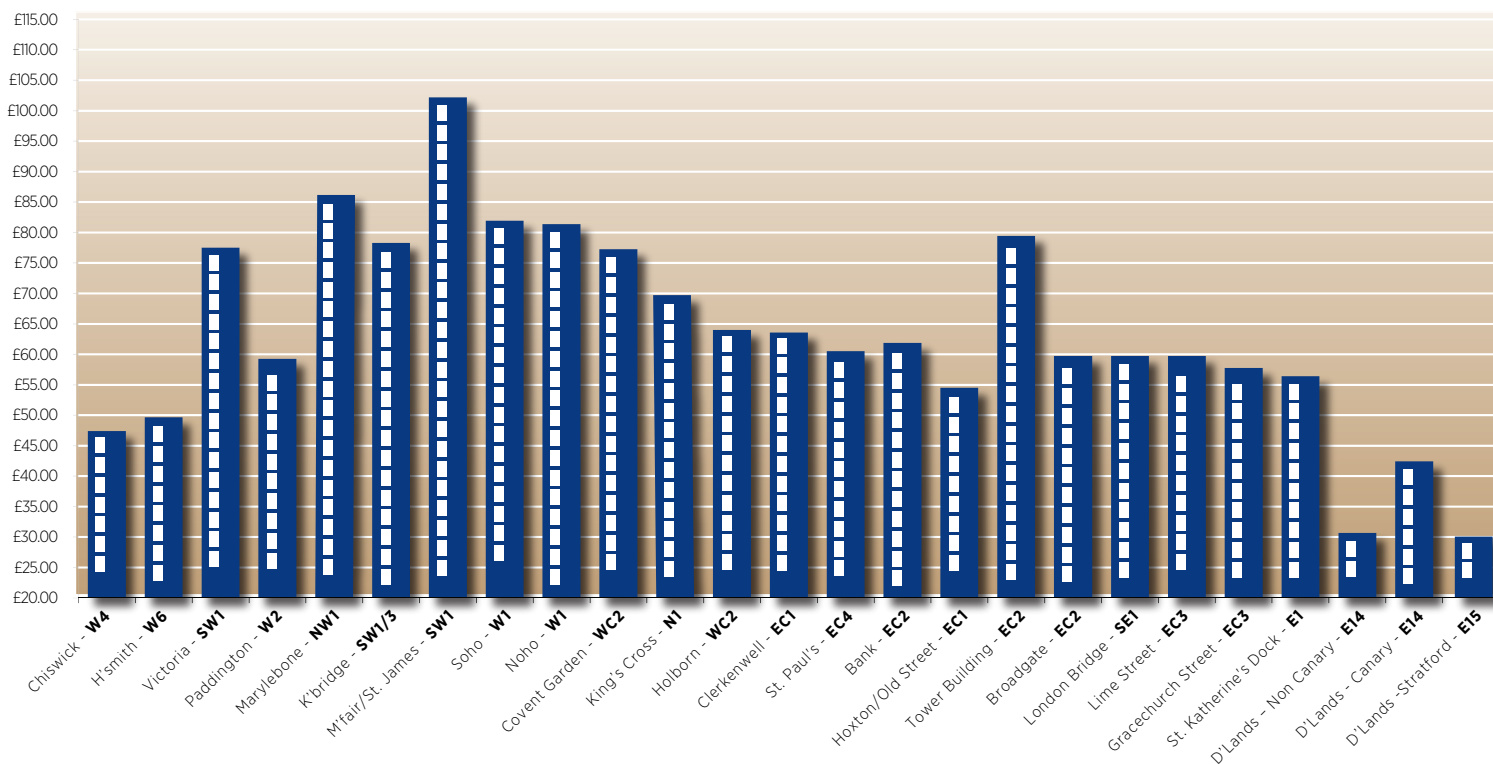
Summary

- Last quarter headline rentals were flat across Central London, producing a fall over the last year of 2.56%
- The average rent is now £63.31 per sq ft, (a statistical fall from £63.35 per sq ft last quarter and from its peak at £66.57 per sq ft in Q3 2016)
 - **West End Core:** £83.95 per sq ft (peak at £89.90 per sq ft in Q4 2016)
 - **City Core:** £62.63 per sq ft (peak at £68.08 per sq ft in Q3 2016)
 - **City Fringe North:** £60.17 per sq ft (peak at £63.00 per sq ft in Q4 2016)
- *A note of caution: the spread of opinion of those surveyed has increased again by £0.25, now averaging £2.25 per sq ft. The biggest differences are within Mayfair/St. James, City Tower buildings and Clerkenwell.*

Downward pressure on rents in occupier released space has a drag on the market despite continued historically low vacancy rates, lack of supply on new builds, and an active pre-letting market - Sidley Austin at the 'Can of Ham' 70 St. Mary Axe, EC3 (100,000 sq ft) and Estée Lauder at 1 Fitzroy Place, W1, (144,000 sq ft) i.e. 54% of total space due for completion before the end of the year is already leased.*

Headline Rent (per sq ft per annum exclusive)

*CBRE research



Compiled by Matthews & Goodman Market Watch Unit

Definitions:

- **City Core:** 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 Core:** 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



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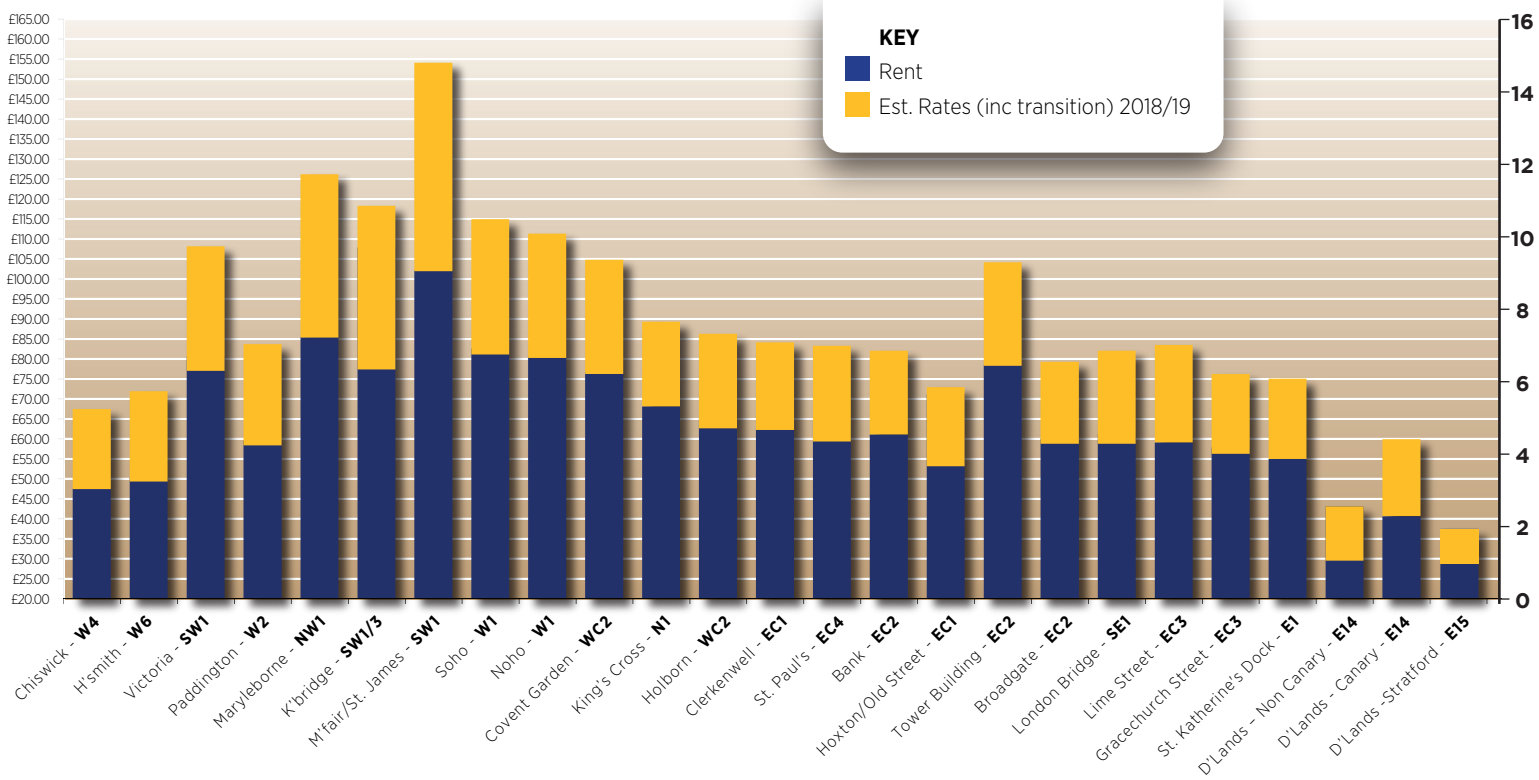


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Rates payable for the Next Financial Year
Central London: Grade A

Summary

- Average Rates payable to April 2019*
 - **Central London:** £25.05 per sq ft (£23.45 per sq ft 2017/2018)
 - **West End core:** £36.94 per sq ft (£35.88 per sq ft 2017/2018)
 - **City Core:** £22.67 per sq ft (£22.05 per sq ft 2017/2018)
 - **City Fringe North:** £21.13 per sq ft (£19.97 per sq ft. 2017/2018)
- This is combined below with headline rents in each district surveyed



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Note:

- This information is based on assumptions made for the period YC April 2018-March 2019
- Macro economic assumptions:
 - Annual inflation target 3%
 - UBR 49.3p (incl. small business supplement)
 - Crossrail supplement 2p
 - City of London Security Levy 0.5p
 - Transition cap 'large, upward' (32%)

For more information on rates



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