Space for Change
Office Space Dynamics in Central London

City of London Deep Dive

London Property Alliance
WPA Westminster Property Association | CPA City Property Association

Knight Frank

About City Property Association
The City Property Association (CPA) is a not-for-profit membership body, bringing together the leading property owners, developers, investors and professional advisers to inform policy makers and drive the economic prosperity of the City of London.

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Executive summary

The City of London is a major driver of UK economic growth, generating £109 billion in economic output each year and providing employment for one in every 48 workers nationally. It sits entirely within the Central Activities Zone (CAZ) and brings together financial, professional and technology services in a district with exceptional transport connectivity.

The Elizabeth line at Liverpool Street and Farringdon, multiple London Underground lines and fast links to national rail services at Moorgate, Cannon Street and Blackfriars, allow businesses to draw from a deep and skilled labour pool. Offices remain central to how the City of London functions and competes globally.

Since 2020, office leasing has concentrated along two main corridors: the Bank–Moorgate spine and the Elizabeth line axis from Liverpool Street to Farringdon. Demand has moved decisively towards better-quality space. Prime and Grade A office space account for nearly 70% of lettings, whilst experiencing vacancy rates of 0.6% and 1.1% respectively. Large floors are especially scarce, with only two options over 40,000 sq ft in the Square Mile. The strongest performance is along the Liverpool Street–Farringdon corridor, where the Elizabeth line has strengthened the appeal of Broadgate, Bishopsgate and Spitalfields.

Future supply is unlikely to keep pace. Central London's office engine is running below capacity, whilst demand increases. Between 2018 and 2023, the CAZ lost around 14 million sq ft of office space, with the City accounting for more than 3 million sq ft of this reduction.

The Square Mile is home to a large pool of secondary office stock: older, secondhand buildings typically with weaker energy performance, falling in EPC bands C–G. Over 54 million sq ft - 56.8% of City floorspace - sits in this category, underpinning roughly £96.8 billion of capital value and around £4.28 billion a year of prime rent that can be protected and grown by moving stock into Prime and Grade A performance.

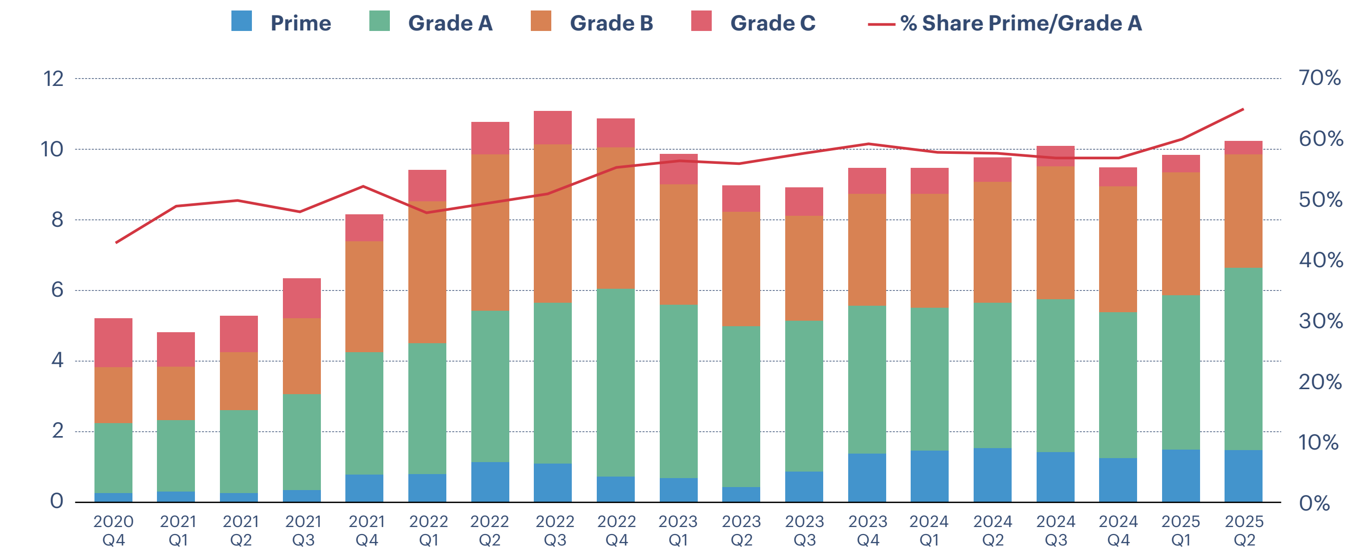
This presents a clear opportunity. Many buildings can be upgraded and re-let, turning compliance risk into value. The most intensive refurbishments should focus on Bank, Moorgate, Liverpool Street and Farringdon, where demand is strongest. Around the Barbican fringe and towards Aldgate, smaller and quicker upgrades can keep supply moving whilst larger schemes progress. Where buildings cannot meet future standards because of structural or layout constraints, redevelopment or near-new rebuilds behind retained façades will offer the most effective long-term solution. The approach is straightforward: upgrade what can be improved and replace what cannot.

Change of use should be selective. In parts of the City with lighter recent leasing but many older units, particularly around the Barbican fringe and the eastern edge towards Tower, hotel, education or mixed-use formats may perform better than deep office refurbishment. Active ground floors and clear pedestrian routes remain essential to support both commercial activity and local vitality.

Policy can accelerate this shift. The City Corporation's Article 4 direction and supportive stance on high-quality, flexible offices provide a strong platform, supported by clear pathways for refurbishment and redevelopment, aligned with the Government's Minimum Energy Efficiency Standards (MEES) and utility upgrades. A balanced strategy of upgrading or replacing stock where appropriate will strengthen the City's offer and sustain its global role as a commercial and leisure destination.

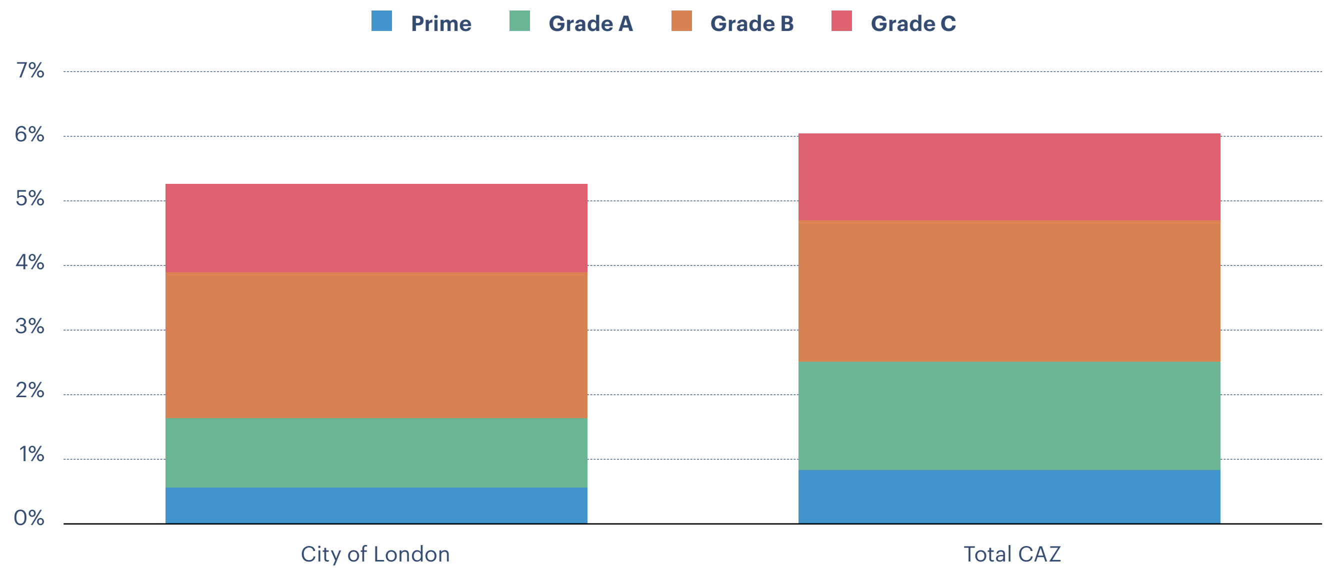
City of London - Quarterly take-up by quality

m sq ft (LHS, % of take-up (RHS). Source: Knight Frank Insight



City of London - Vacancy rates by quality

% of stock, Q2 2025. Source: Knight Frank Insight

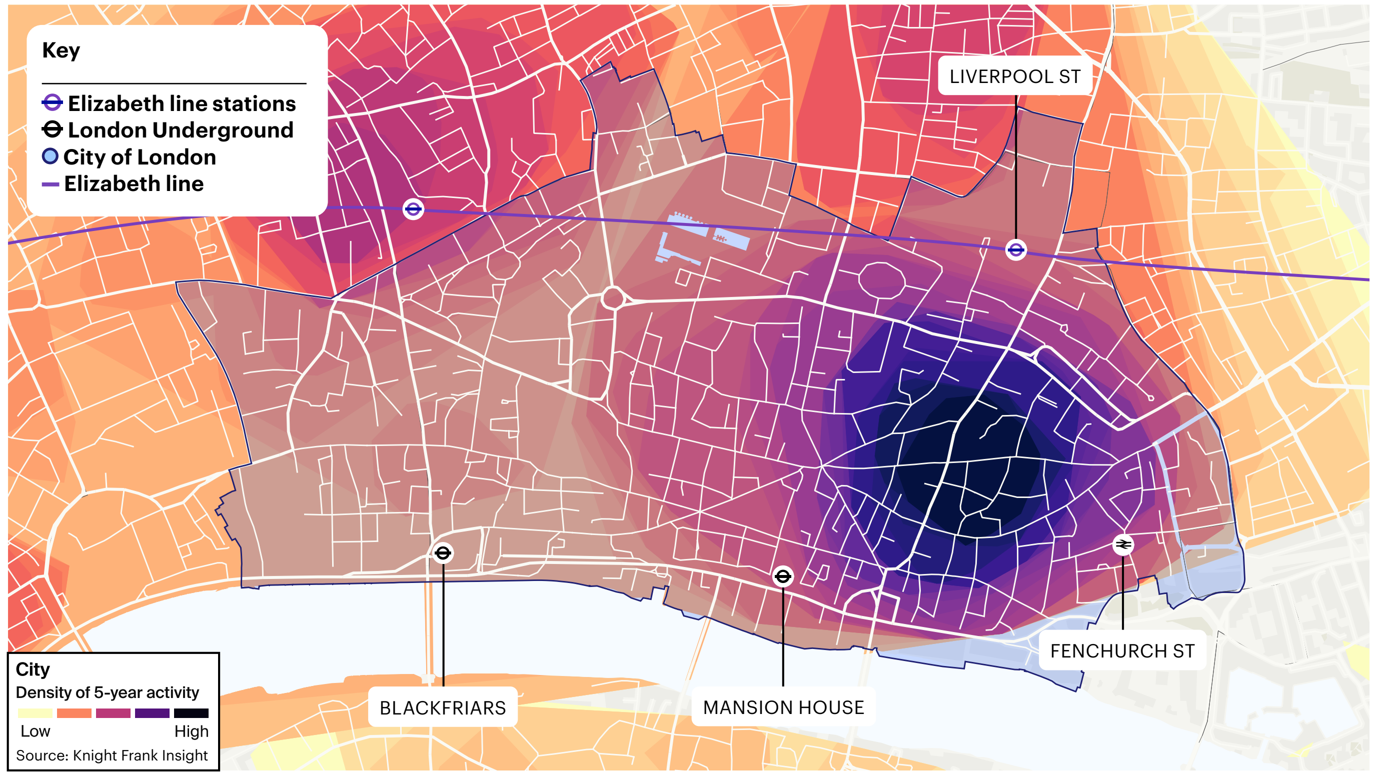


Development viability remains one of the biggest barriers to upgrading or redeveloping secondary buildings. Rising construction, labour and finance costs, combined with an expanding range of planning obligations, are creating financial pressures that too often tip the balance against intervention."

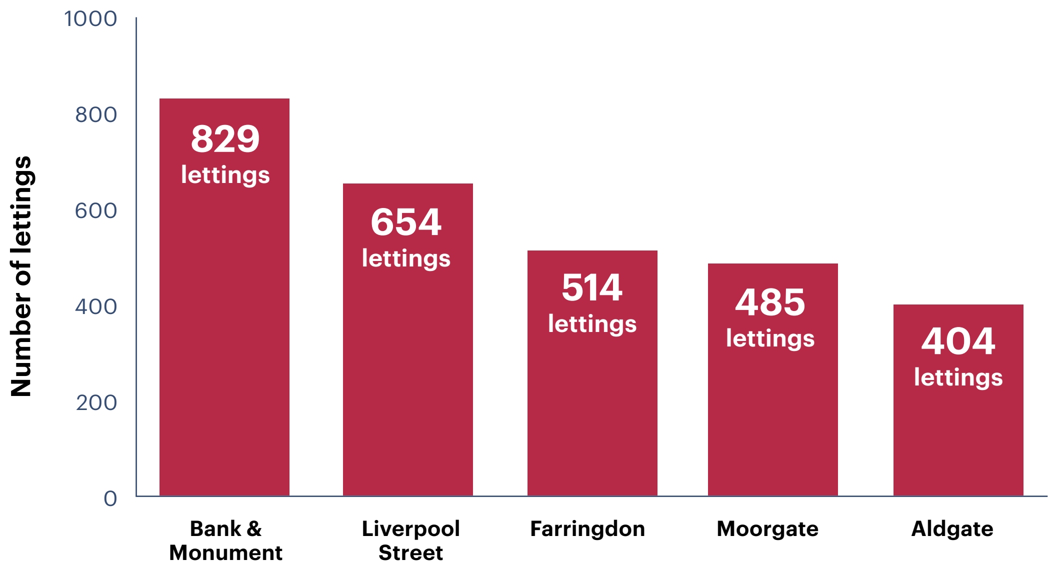
– Ross Sayers, CPA Chair and Head of Development Management at Landsec

This map shows the location of the 2,886 office lettings that have taken place in the City of London since 2020.

Figure 1: Heatmap of lettings activity in the City of London

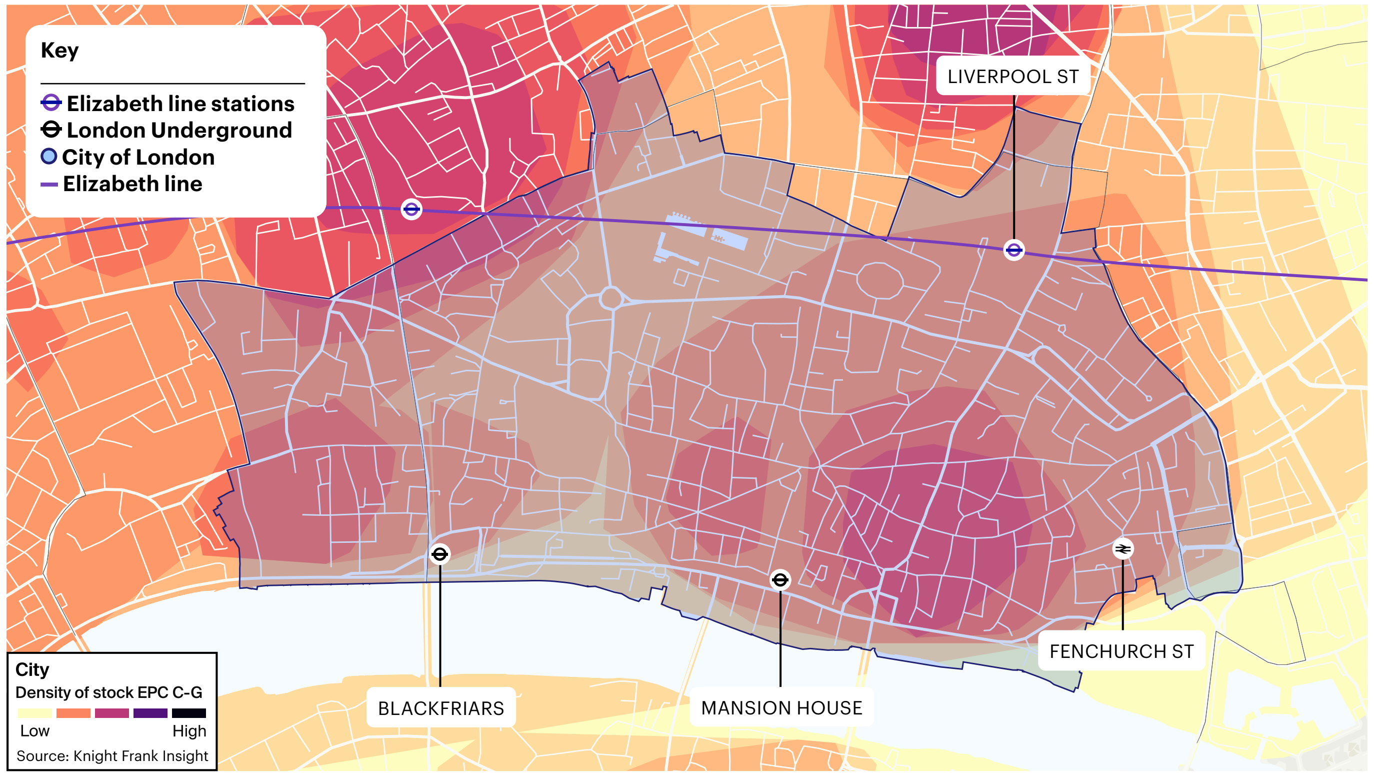


The station catchments witnessing the most lettings within 500 meters include:

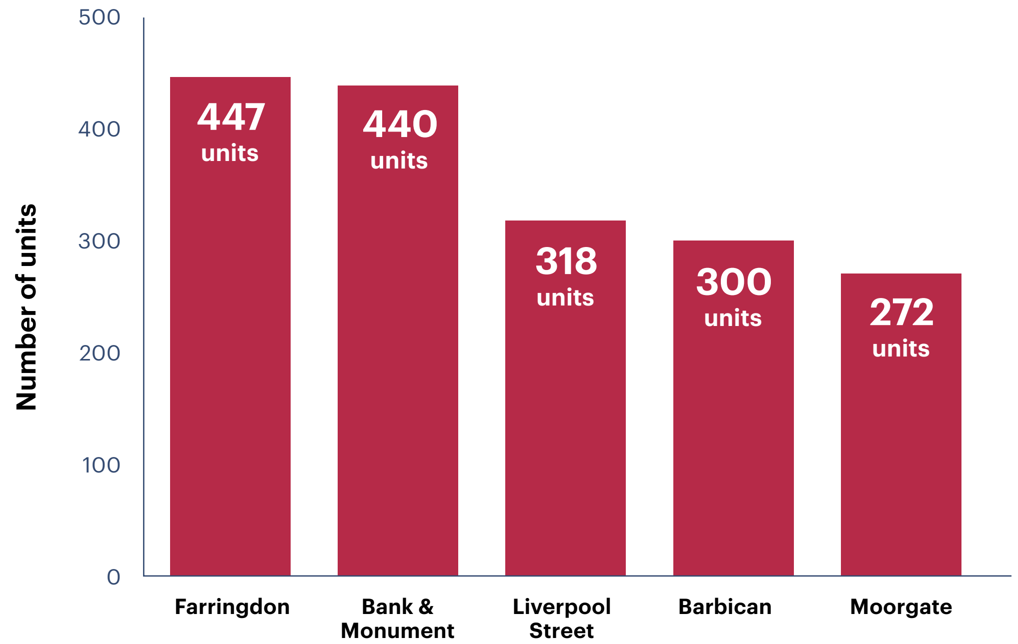


This map shows the 2,098 EPC C–G rated office units located in the City of London.

Figure 2: Heatmap of EPC C–G densities in the City of London



The station catchments with the highest number of EPC C–G rated units within 500 meters include:



What the maps show

Lettings activity in the City is concentrated along two key corridors: Bank to Moorgate, through the Square Mile's historic core, and Liverpool Street to Farringdon, following the Elizabeth line. This closely overlaps with the areas containing the highest concentration of EPC C–G rated buildings, highlighting a clear opportunity to upgrade offices where occupier demand is strongest and where excellent transport connections coincide with high-quality public realm.

Ward by ward highlights

Bank to Moorgate core: Candlewick, Cornhill, Walbrook, Cheap, Cordwainer, Coleman Street, Broad Street
This corridor is the City's most active and contains a significant concentration of EPC C–G units. Connectivity across Bank, Mansion House and Moorgate is excellent, with short and direct walking routes. Deep refurbishments can be delivered quickly here as demand is already concentrated in the area. For buildings with constrained cores or limited floor-to-ceiling heights, selective redevelopment or a near-new rebuild behind retained façades may offer the most effective route to long-term performance.

Bishopsgate and Broadgate: Bishopsgate, Broad Street
Liverpool Street and Broadgate show strong lettings activity alongside a notable but manageable stock of EPC C-G rated units. High specification retrofits should lease quickly given the area's strong amenity offer and Elizabeth line connectivity. Larger sites can accommodate new builds with modern floor heights and efficient cores, whilst smaller back-street buildings with awkward floorplates may be better suited to managed or fitted formats that are quicker to let.

St Paul's and the western river wards: Bread Street, Castle Baynard, Queenhithe, Vintry
There is steady activity between EPC C-G stock with recent lettings here, supported by the St Paul's and Blackfriars interchange. The case for deep refurbishment is strongest on the principal streets, where the address carries weight. On quieter riverside streets with irregular layouts, comprehensive rebuild behind retained façades can deliver near-new outcomes. In locations away from the main corridors, change of use to cultural or education purposes can perform better than a purely office-led strategy.

Farringdon and the Midtown edge inside the City: Farringdon Within, Farringdon Without
Proximity to the Elizabeth line at Farringdon and to the Thameslink rail route supports both volume and pricing power. Streets nearest the station are best suited to deep refurbishments. Moving west towards the Holborn Viaduct and Chancery Lane, the pattern shifts to smaller floorplates and older buildings. In these locations, quicker, low embodied carbon upgrades and selective change of use will perform well, especially when paired with ground-floor activations.

Barbican and the Culture Mile: Cripplegate, Aldersgate
EPC C–G rated buildings are concentrated around the Barbican, where lettings activity remains steady. The area is suited to a twin-track approach: advance deep refurbishments on the main streets, whilst delivering quicker upgrades on side streets to keep space coming forward. Cultural anchors and improvements to the public realm will help upgraded buildings attract occupiers. Where layouts are constrained or headroom is limited, change of use to education or cultural purposes can perform better than an office-led scheme.

Insurance and eastern commercial cluster: Lime Street, Langbourn, Billingsgate
Close to Lloyd's and Leadenhall, lettings activity remains strong and there is a clear concentration of EPC C–G rated buildings. High-quality retrofits should focus on strengthening operational performance and improving arrival experience and wayfinding. Larger combined plots can credibly move to new build, whilst smaller floorplates may suit fitted or managed space that can let quickly as deeper projects progress on neighbouring sites.

Aldgate and the eastern gate: Aldgate, Tower, Portsoken
The data shows a mixed picture in this area. There is a significant concentration of EPC C–G rated stock, with lettings activity thinning as streets move away from the core. New build is most appropriate on larger sites near the main gateways and on clear frontages. Refurbishment can succeed on stronger corners and along station routes. In quieter streets and on secondary frontages, change of use to hotel, residential or mixed uses will often perform better than an office refurbishment.

The river spine and bridgehead: Bridge, Billingsgate, Dowgate
Accessibility is excellent in this area, though lettings activity varies by street. Where frontage is strong and connections are clear, deep refurbishment delivers strong returns. Where buildings are set back from main routes or have physical constraints, selective redevelopment or alternative uses are likely to generate better value. Active ground floors and clear pedestrian routes are essential to convert the transport advantage into leasing success.

Liverpool Street: The City's Elizabeth line powerhouse
Liverpool Street has become the eastern anchor of the Elizabeth line core, with the station and its surrounding streets forming one of the City's strongest concentrations of lettings. Its combination of four London Underground lines, National Rail services and the Elizabeth line creates one of London's most connected interchanges, attracting both traditional financial and legal firms, as well as growing tech and fintech occupiers.

The Broadgate Estate's mix of food and beverage, fitness, leisure and high-quality public realm has strengthened the area's appeal, whilst fast links to Heathrow, Paddington and the West End make cross-city client meetings easy. Together, these factors underpin Liverpool Street's position as the City's Elizabeth line powerhouse.

Investment potential of EPC C-G stock

The clearest opportunity to upgrade secondary stock lies in Bank, Moorgate, Liverpool Street and Farringdon, where the combination of excellent transport and established amenity means deep refurbishments let fastest. Streets near the Barbican and Aldgate can support a steady flow of smaller, quicker refurbishment, helping to keep market activity moving as larger schemes progress.

New build opportunity
New build is most suitable where existing structures cannot meet future standards. Larger plots around Bishopsgate and towards Aldgate suit new offices with modern cores, better floor heights and lower running costs. Sites located close to Liverpool Street and Farringdon stations can support high-performance new build with strong on-site amenities. Near St Paul's and the Bank junction, comprehensive rebuild behind retained façades can preserve character, whilst delivering close to new-build performance.

Change of use candidates
Figures 1 and 2 (pages 6 and 7) highlight areas where office may not be the best long-term use. Parts of the Barbican fringe and the eastern edge towards Tower have fewer recent deals, but a higher share of EPC C-G stock, making them better suited to hotel, residential, educational or cultural uses. Along the Midtown edge, west of Fleet Street, buildings with constrained layouts may also perform better in non-office roles where active ground floors and the night-time economy are the main draws.

Conclusion

Secondary office stock in the City represents £96.8 billion of capital value and around £4.28 billion a year of prime rent potential if upgraded. Investment should focus where deals are concentrated and the walk from transport is shortest. Deep refurbishments are best delivered around Bank, Moorgate, Liverpool Street and Farringdon, whilst quicker upgrades can keep space moving around the Barbican and Aldgate.

New development should target buildings that cannot meet future standards, including larger plots around Bishopsgate or comprehensive rebuilds behind retained façades in areas such as St Paul's. In quieter pockets with many EPC C–G units but fewer lettings, change of use should be considered. The principle is simple: better buildings next to strong transport lease first and hold value.

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