MONTHLY REVIEW
CENTRAL LONDON OFFICES - SEPTEMBER 2017

- Take-up in July and August reached 2.22m sq ft bringing annual levels to 7.60m sq ft, 15% ahead of the same period last year.

- Deutsche Bank's 469,000 sq ft pre-let of 21 Moorfields provided a significant boost to take-up levels. As did WeWork’s acquisitions of 125 Shaftesbury Avenue, WC2 (140,000 sq ft) and The Stage, Curtain Road, EC2 (240,000 sq ft).

- Whilst larger corporates have been active in Central London, small to medium sized businesses have been more cautious due to the on-going uncertainty. Indeed, <5,000 sq ft deals have experienced a 45% drop in activity, when compared to the long term average.

- No doubt, some of this change has been influenced by the growth of the Serviced Office sector.

- The vacancy rate stands at 6.65%, 25bps up on end Q2, however still below the long term average of 7.00%. Several large developments due to complete in Q4 have filtered through to the supply figures, the largest of which is 135,100 sq ft at 1 Poultry, EC2.

- Occupiers continue to rationalise their office needs with tenant space now accounting for 24% of total supply, up from 23% at the end of Q2. Banking & Finance occupiers account for the largest share of tenant space (36%).

- Investment volumes reached £2.21bn in July and August continuing the momentum of H1 2017. This takes annual levels to £10.62bn. In 2016 office annual investment reached £13.33bn.

- Asia Pacific investors continue to dominate, drawn to the capital by the long let nature of leases which are let to good quality tenants.

Central London vacancy rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Vacancy Rate</th>
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<tbody>
<tr>
<td>2004</td>
<td>9.0%</td>
</tr>
<tr>
<td>2005</td>
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<tr>
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<td>2010</td>
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<td>2011</td>
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<tr>
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<tr>
<td>2015</td>
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<tr>
<td>2016</td>
<td>3.5%</td>
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<tr>
<td>2017</td>
<td>3.0%</td>
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</tbody>
</table>

* data to end August 2017

To end August 2017 take-up is 15% on last year

7.60M SQ FT

Vacancy rate end August 2017

6.65%

Over H1 2017 Asia Pacific investors’ share of total investment volumes was

48%

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