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CoStar Data Shows London Demand for 4 Star Offices Topping 40% in the City Core despite Top-Quality Space Shortage

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 <location value="LU/gb.eng.london" idsrc="xmltag.org">LONDON</location>--(BUSINESS WIRE)--Oct. 29, 2026-- <location value="LU/gb.eng.london" idsrc="xmltag.org">London</location> City Core saw an increase in office demand, as vacancy rates for best-in-class space fall to 2.1%, according to data from CoStar, a global leading provider of online real estate marketplaces, information and analytics in the property markets. This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20261029738989/en/ <img src="https://mms.businesswire.com/media/20261029738989/en/2950573/4/london-city-core-office-demand.jpg" alt="Demand for 4-Star offices in the City Core has grown"> Demand for 4-Star offices in the City Core has grown The Square Mile has accounted for over 42% of <location value="LU/gb.eng.london" idsrc="xmltag.org">Central London</location> demand for 4-Star offices so far in 2026, compared with just 18% for 5-Star offices. "The strength of the flight-to-quality trend, a fundamental part of which is location quality, has created such tightness and high rents at the top end that demand has begun to spill over into good-quality refurbished stock that meets modern occupiers' needs," said <person>Patrick Scanlon</person>, senior director of market analytics at CoStar Europe. The vacancy rate for 5-Star offices in the City Core has fallen to just 2.1% on a three-period trailing average, the lowest level in the past 15 years and significantly below the comparable figure of 6.7% for <location value="LU/gb.eng.london" idsrc="xmltag.org">Central London</location>. "This is particularly important, given that over 12 million square feet of new office space has been delivered in the submarket over the last 10 years, equating to more than 35% of new deliveries in Central London," said Scanlon. Headline rents have also reached new highs, with rents exceeding £150 per square foot already achieved on the upper floors of newly delivered towers at <location>One Leadenhall Street</location> and 8 <org value="ACORN:1719030354" idsrc="xmltag.org">Bishopsgate</org>, while rents in prime, non-tower spaces are likely to exceed £130 per square foot. The full analysis can be found here. For more information about the company and its products and services, please visit www.costargroup.com. About CoStar Group CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives. CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Zonda, a leading provider of data, analytics, software, and marketplace solutions for the residential construction industry; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom. CoStar Group's websites attracted over 121 million average monthly unique visitors in the third quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com. This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar's expectations or beliefs regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause actual results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that London City Core office rents, demand, vacancy rates and supply trends do not develop as expected, including as a result of changes in economic conditions, business activity, office demand, leasing activity, interest rates, new construction or other supply trends. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar's filings from time to time with the Securities and Exchange Commission, including in CoStar's Annual Reports on Form 10-K and Quarterly Reports on Forms 10-Q, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar's other filings with the SEC available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar on the date hereof, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. <img alt="" src="https://cts.businesswire.com/ct/CT?id=bwnews&sty=20261029738989r1&sid=acqr8&distro=nx&lang=en" style="width:0;height:0"> View source version on businesswire.com: https://www.businesswire.com/news/home/20261029738989/en/ Karolina Capova
Senior Media Relations Specialist
kcapova@costar.com Source: CoStar Group