

Real Estate Insights

Q3

October 2025 – December 2025





INTRODUCTION & CONTEXT

Heart of London Business Alliance (HOLBA) has partnered with Colliers to deliver a series of real estate insights for our members, partners and prospective occupiers.

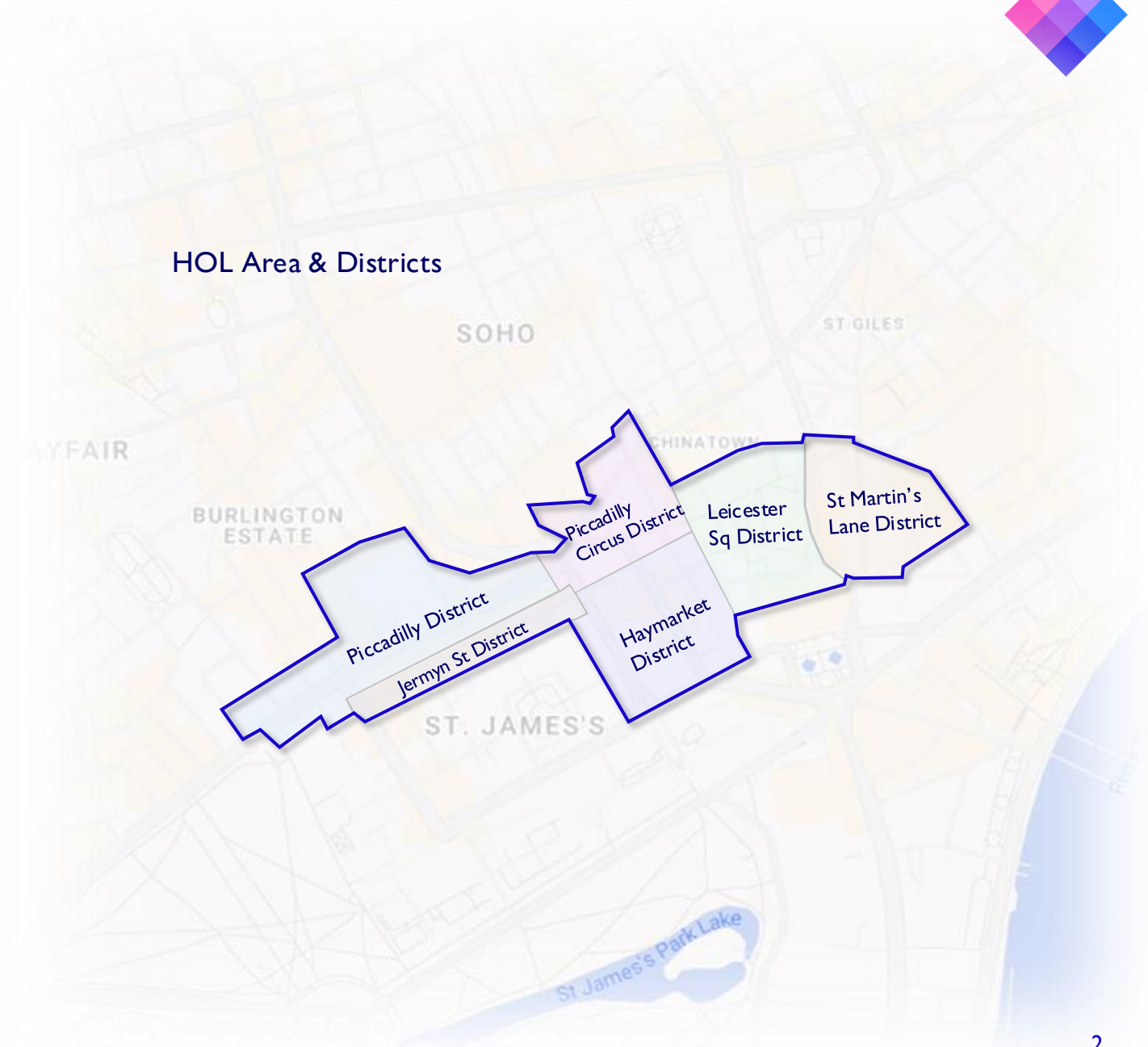
This quarterly report cuts through the noise to provide a clear, evidenced view of the West End, one of London's most dynamic commercial and cultural districts, with influence that extends far beyond the local market.

It brings together the key signals shaping the area, including:

- economic context and its impact on central London
- occupier trends across office, retail, leisure and hotel markets
- major developments and emerging opportunities
- performance indicators, including footfall and spend, highlighting ongoing demand

Taken together, these insights point to a market with strong fundamentals, continued momentum and clear long-term confidence, supporting decision-making for investors, agents and occupiers alike.

This edition covers October to December 2025, representing Q3 of HOLBA's 2025/26 financial year.



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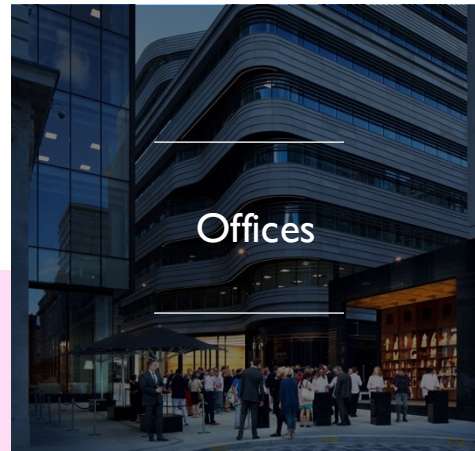
SUMMARY



The UK economy remains pressured by high taxes, persistent inflation, and restrictive interest rates, all of which are weighing on businesses and households.

Despite this challenging backdrop, the HOL area is performing relatively well, with GVA rising 1.1% year-on-year (YoY) outperforming the wider West End.

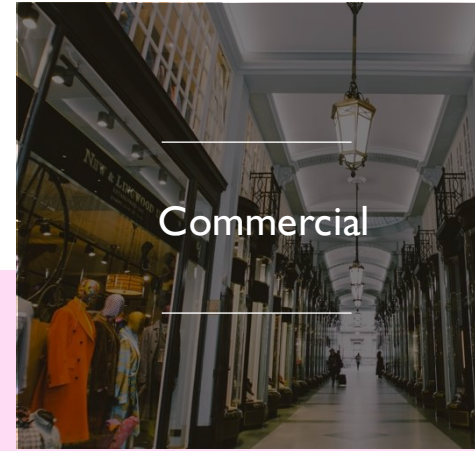
Looking ahead, new challenges arising from geopolitical turmoil and rising energy prices may undermine recovery. Inflation is expected to rise and interest rates may stay higher for longer, but a weak pound in 2026 could boost UK tourism attracting more foreign visitors.



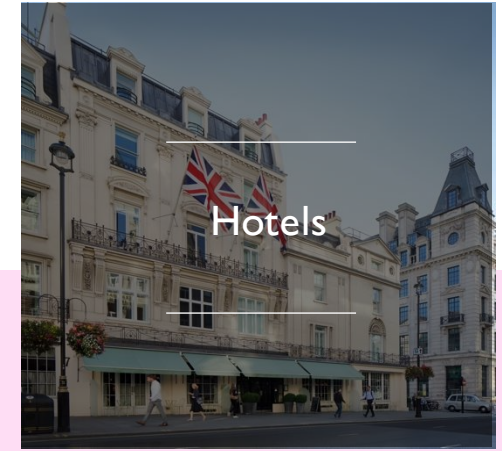
London's office market strengthened in 2025, with take-up rising 26% YoY to 74,579 sq ft and strong demand for Grade A space.

Supply remains constrained, with 70% of new London office completions pre-let and the HOL area stock largely unchanged at 4 million sq ft.

Vacancy in the HOL area stayed very low at 4.4%, with no new Grade A space available. Prime rents continue to rise, hitting a record £165 per sq ft, driven by tight supply and sustained occupier demand.



Demand for West End commercial space remained strong in final quarter of 2025, fuelled by rising requirement - particularly from leisure and fashion brands - despite new supply, corporate administrations, and upcoming business rate pressures creating a more competitive and shifting market landscape.



Hotels in the HOL area outperformed the wider London market on occupancy and ADR, despite overall declines vs. 2024 highlighting district's strong price driven performance advantage

However, a surge in new supply with the opening of the MOXY Piccadilly Circus outpaced demand growth driving declines in occupancy, ADR and RevPAR.

The market remains robust overall with occupancy still above 80%, but increased competition has pushed operators to cut rates, suppressing revenue performance despite strong visitor activity.

Q3 (OCT – DEC) 2025 PERFORMANCE



+21%

Quarter-on-quarter
visit growth



+25%

Quarter-on-quarter
spend growth



+1hr 16m

Quarter-on-quarter
dwell growth



18%

International visitor share



LEICESTER SQUARE SPOTLIGHT

Strong performance across Leicester Square during the festive-quarter, driven by seasonal activations, a major new food-hall opening, and sustained visitor engagement.

Visit volumes increased by +12% quarter-on-quarter and +2% year-on-year across Q3 2025, with December recording a +7.9% rise, marking the busiest month of the quarter and reinforcing Leicester Square's role as a major festive anchor.

Festive activations, notably the Skate ice-rink and the Christmas Market, played a central role in driving this uplift, contributing to district-wide peaks in footfall. December also saw the opening of Market Place on Leicester Sq – with the three-storey foodhall further strengthening Leicester Square's position as a leading destination for social & leisure activity.

Visitor behaviour reflected these seasonal activations and new openings; average dwell across Leicester Square district increased by +1hr 16mins year-on-year, with uplift across both weekday & weekend engagement, demonstrating not only higher visitation but deeper engagement with the area.

+2%

Q3 Visit Volume
Year-on-Year

+8%

December Visit Volumes
Year-on-Year

+1h 16m

Increase in Average Dwell
Year-on-Year



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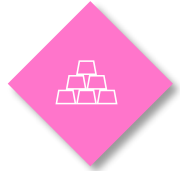


A MIXED ECONOMIC LANDSCAPE

The bad news..

UK ECONOMY IS CHALLENGING

The economy is facing challenges due to high taxes, higher government spending, sticky inflation and restrictive interest rates that look likely to be higher for longer due to the latest geopolitical turmoil. Since the 2024 election and despite the large tax rises, government receipts only now exceed expenditure. The heavy lifting is £319m in 2026. The multipliers may have been reduced marginally but the 'hit' to being done by business through NMW increases and NI contributions. Business rates are also increasing. The aggregate ratable value of HOLBA member properties will rise by 31% from £243m in 2023 to HOLBA members will be around £143 million.*



ENERGY & FOOD PRICES REMAIN HIGH

Businesses are responding by reducing workforces, slowing hiring and limiting pay rises as margins suffer. Households feel this and the squeeze from higher prices and interest rates. Inflation was expected to fall to target by April, but significant new energy price rises are now expected. In February, energy and food prices were already 44% and 37% higher than prior to the cost-of-living crisis in 2022. Mortgage payments were 147% higher and are rising again. Food & beverage manufacturers' costs follow a similar pattern.



CONSUMER CONFIDENCE IS LOW

The result? The GfK consumer confidence indicator is low (-19). Households are cautious and increasing their savings - the savings ratio has averaged 10.4% of disposable income since the election reflecting fears about taxes and jobs. Retail sales volumes, though improving, have suffered and are no higher than in July 2019. Household spending accounts for almost two-thirds of UK GDP - the largest driver of the economy.



The good news..

GVA ACROSS HOL AREA UP 1.6% AGAINST 2024

Despite poor winter weather, both literally and figuratively, the HOL area has weathered the showers. GVA across the 'estate' in 2025 is estimated to have reached £14.6bn (including supply chain impacts) up 1.1% against 2024 and up slightly against Core West End performance 1.0%



INFLATION EXPECTED TO FALL

Inflation was falling, wage growth was easing and Bank Rate cuts were imminent. Inflation was expected to be near target in April and Bank Rate at 3.25% by end 2026. Geopolitics intervened, but barring catastrophe, March forecasts now see interest rates slightly higher for slightly longer in 2026. The Bank said that market curves do not reflect Bank thinking. The forecasts show inflation rising modestly in 2026 and falling to near target in late 2027. In short, recovery is postponed, not cancelled!



STERLING EXPECTED TO WEAKEN IN 2026

Critical to the HOL area and the Core West End given their exposures to retail, food & beverage and entertainment is sterling. Weaknesses in UK tourism, especially from the US, are linked partly with dollar weakness and a relatively strong pound. Recent data and press suggest that despite the President's wishes, the US Fed may not cut rates as rapidly as previously thought. This means weaker sterling. Capital Economics sees the pound falling in 2026 from \$1.35/GBP to \$1.25/GBP making UK tourism appealing for dollar-denominated tourists.





INTEREST RATES FORECAST TO FALL IN 2026 AND STABILISE IN 2027

2026 Forecasts

2026 Forecast	Consensus Median	CEBR	CE	HSBC	BARCAP
Bank Rate	3.40%	3.25%	3.25%	3.50%	3.50%
GDP	0.90%	1.00%	0.50%	1.10%	1.10%
CPI (Q3 %y/y)	2.60%	2.70%	2.60%	2.10%	2.10%

2026 – Interest rates – higher for longer?

Bank Rate is forecast to fall by 11 of 13 participants in HM Treasury's 'Forecasts for the UK Economy' who submitted forecasts in March 2026. The Bank of England normally cuts the Bank Rate in 0.25% increments, hence the 3.40% end year average suggests only one cut in 2026 to 3.50%. Nevertheless, despite the geopolitical turmoil, five participants think rates will fall to 3.25% in line with previous expectations. Lower interest rates support the consumer economy by lowering operating capital costs for businesses and reducing household borrowing costs, especially those with mortgages. This frees up income to be used in the consumer economy.

2027 Forecasts

2027 Forecast	Consensus Median	CEBR	CE	HSBC	BARCAP
Bank Rate	3.25%	3.00%	3.00%	3.00%	3.50%
GDP	1.30%	1.30%	1.30%	1.30%	1.70%
CPI (Q3 %y/y)	2.10%	2.60%	1.50%	2.00%	2.00%

2027 – Interest rates forecast to stabilise

The Bank Rate is forecast to remain stabilise in 2027, also at 3.25% according to the consensus, although given weaknesses in the economy, four participants thought it would stabilise at 3.00%. This stability is important because it will lead to greater business and consumer confidence and provide a foundation for businesses to begin planning for expansion and investing. Stability means consumers are likely to save less, spend more and support business generally. Stability also implies greater confidence in the continuity of government fiscal policies.

Notes

- Consensus Median – Measures the mid-point of forecast submitted between 2nd – 12th February. Median eliminates forecast outliers.
- GDP: Gross Domestic Product – Measures national production indicating economic performance and overall prosperity.
- CPI: Consumer price index – Measures UK inflation based on a stable basket of 725 goods and services purchased by households.
- CEBR: Centre for Economics and Business Research – a private economic forecasting and analysis business.
- CE: Capital Economics – a private economic forecasting and advisory business known for its expertise on interest rates.
- HSBC: Hongkong and Shanghai Banking Corporation with views tailored for international businesses and investors.
- BARCAP: Barclays Capital known for global investment banking.



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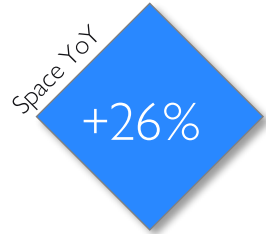
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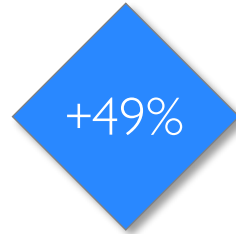
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OFFICES TAKE UP 26% YOY IN THE HOL AREA

Take up



2025 take-up reached 74,579 sq ft, 26% up YoY



49% of Grade A take up was pre-let

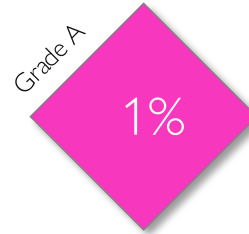


60% of take-up in 2025 was Grade A

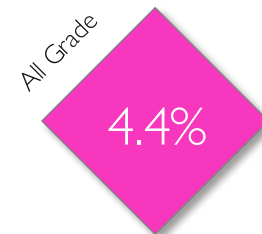


58% of 2025 take-up was banking and financial services

Vacancy

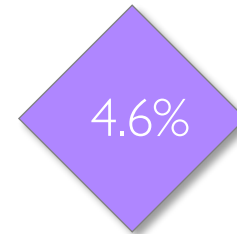


Grade A vacancy is at 1.0% with New Grade A at zero

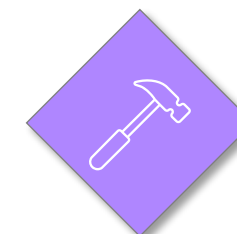


All Grade vacancy is 4.4%, up 10 basis points YoY

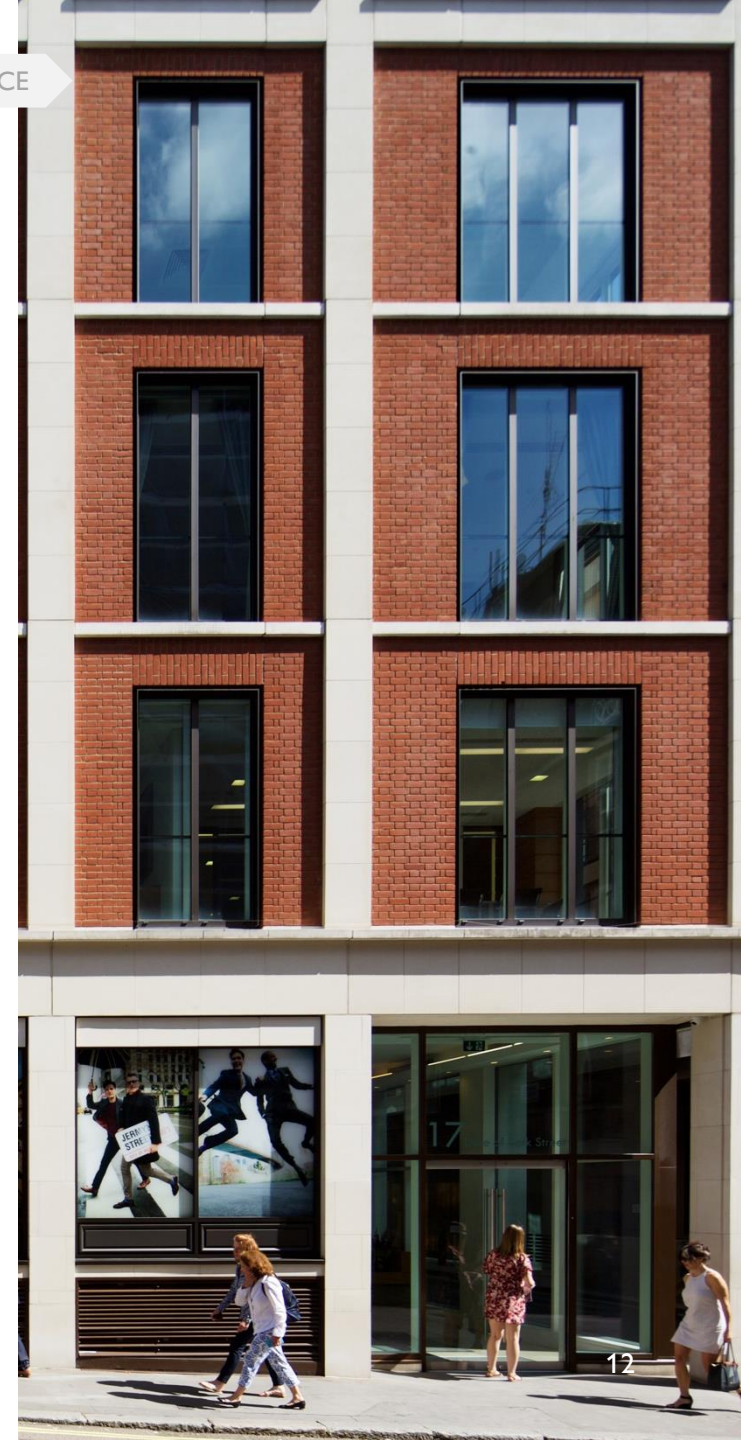
Rents & Construction



Prime rents saw growth of 4.6% in 2025

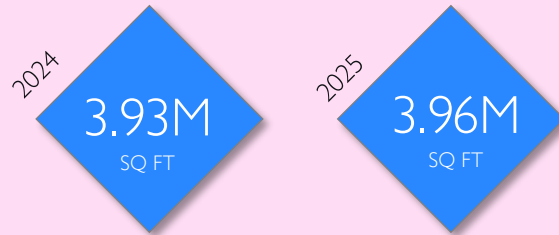


398,000 sq ft is under construction but 35% is pre-let





SUPPLY CONSTRAINTS IN OFFICE MARKET

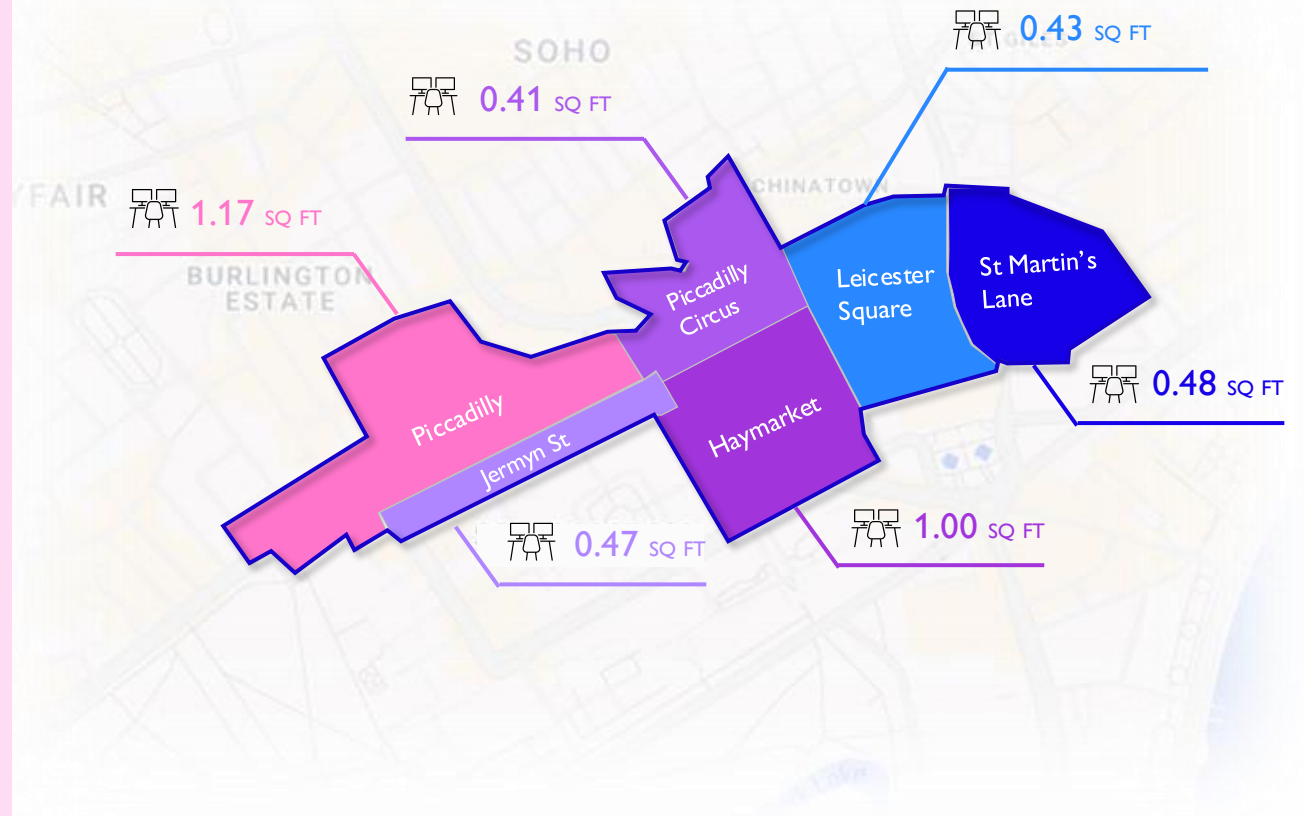


Supply constraints will continue to have a major impact on occupier choice and pricing as we go into 2026. While total office completions in 2025 across London reached 5.9 million square foot, 70% of that space was pre-let prior to completion. That compares to equivalent figures of 42% (2024) and 58% (2023).

The HOL area has seen stock levels remain flat in 2025 with overall inventory remaining close to 4.0 million square feet.

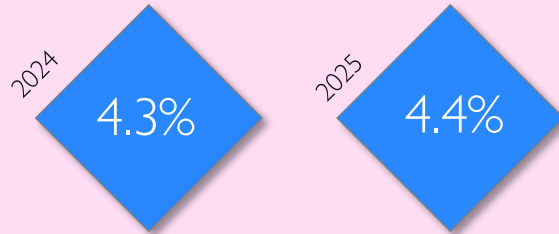
- Grade A stock account for 31% of overall inventory across the HOL area. This is in line with the wider West End submarket.
- Supply is dominated by the Piccadilly Circus and Haymarket locations. The latter is currently seeing the highest levels of refurbishment activity. Six schemes are currently being renovated, with The Crown Estate driving efforts at regeneration of stock in need for upgrading and future-proofing.
- The most significant recent completion has been Land Securities Lucent scheme at 1 Sherwood Street (142,000 sq ft) in 2023.
- The largest completion amongst locations abutting the HOL area was at Clivedale's 20 Carlton House Terrace scheme in St James's. The 130,486 square feet development is now fully leased to BP and Campbell Lutyens amongst others.

Total Built Office Stock – Sq Ft





VACANCY RATES VIRTUALLY FLAT YOY

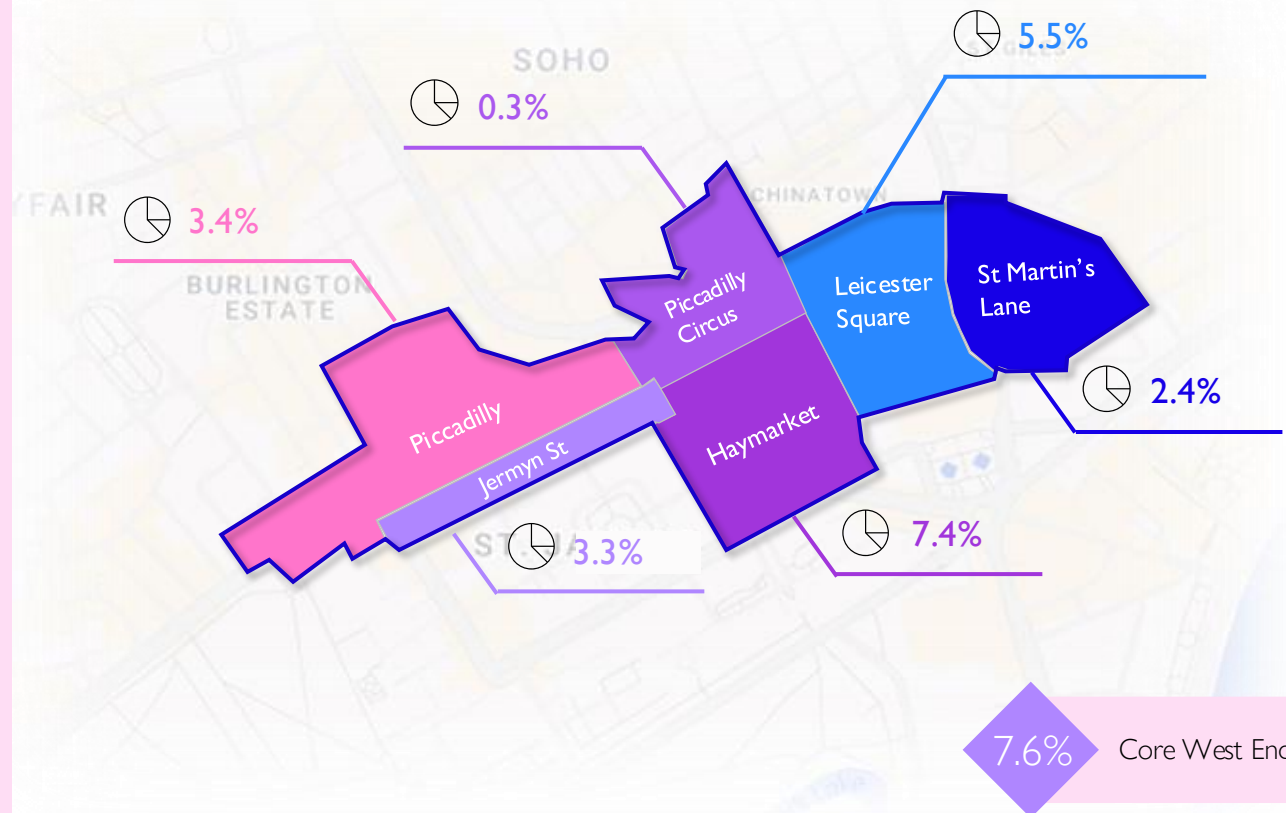


All Grade vacancy across London fell to a four-year low in Q3 2025, reaching 8.8%. This is the first time all Grade London vacancy has fallen below the five-year rolling quarterly average since Q1 2017.

The HOL area, where vacancy rates are traditionally well below the wider London and West End averages, remained virtually flat YoY.

- Average vacancy increased by just 10 basis points across the HOL area in 2025.
- There is currently no new Grade A space available to lease across the entire HOL area. All Grade A vacancy stands at 1.8% comprised of 69,583 square feet, across eight separate schemes.
- There is currently a total of 398,347 square feet of space under construction in the HOL area. 141,000 square feet or 35% is either pre-leased or under offer.
- Haymarket is seeing the most amount of development activity, with 210,000 square feet under renovation across six schemes. The largest is 80 Haymarket, where top floors are set to breach £200 per square foot.

All Grade Vacancy Rate





PRIME RENTS UP 5% IN LAST 12 MONTHS

2024 £/SQ FT

£120

2025 £/SQ FT

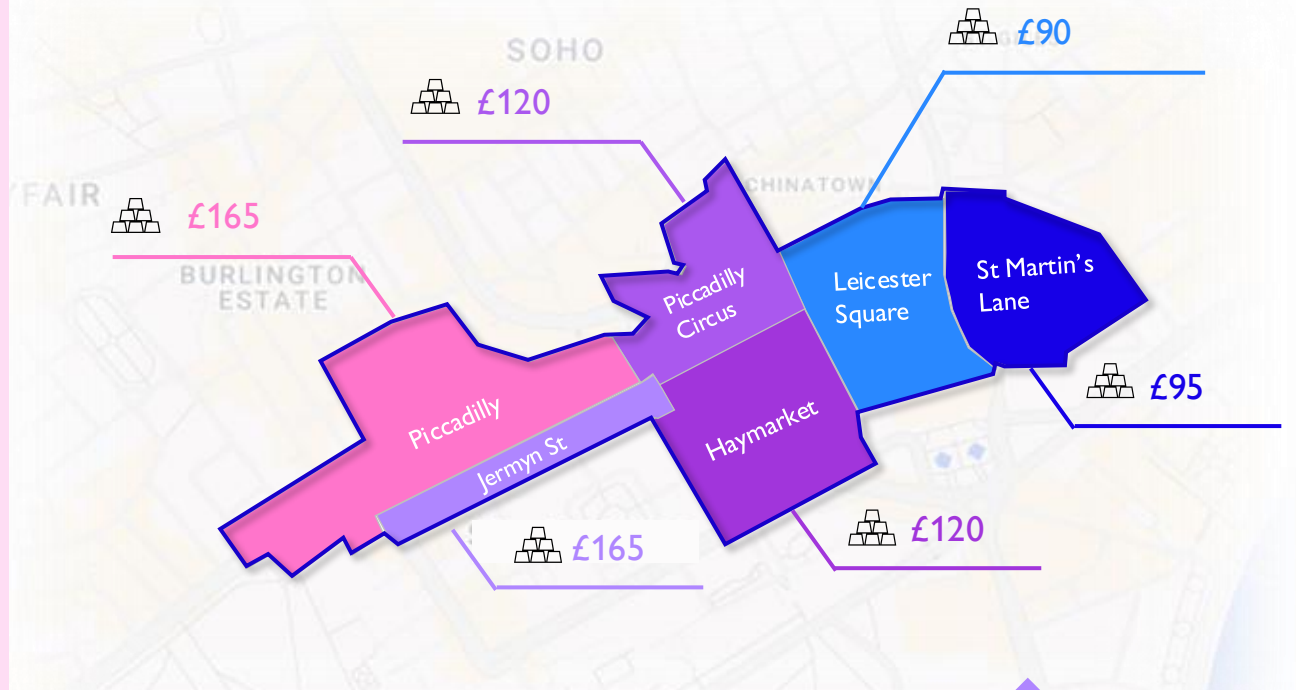
£125.83

The average prime rent in London stands at £95.70 per sq ft and has grown by 5.0% over the past 12 months. Premium floors continue to command levels significantly above market prime.

The HOL area has seen similar levels of uplift for best-in-class product.

- Piccadilly Circus/Jermyn Street are matching the West End prime rent for 10,000 sq ft units on mid-level floors without terraces.
- £165.00 per sq ft is a new record rent for the location.
- While a number of new developments within the HOL area are refurbishments and less likely to 'push the envelope' for top rental tone, upper floors at 80 Haymarket will be an exception. There is still scope for further uplift of average prime rents due to the ongoing constraints on new Grade A supply.
- Upper floors at new developments with terraces are now regularly achieving more than £200 per sq ft.

Prime Office Rent £ per square foot per annum



£165

West End Benchmark

Q3 2025/26 KEY DEALS

Devonshire House, 1 Mayfair Place

Quality: Second-hand
 Size: 13,942 sq ft
 Rent: £109/sq ft
 Tenant: LMR Partners

15 Sackville Street

Quality: Second-hand
 Size: 2,618 sq ft
 Rent: £125/sq ft
 Tenant: Fifthdelta

33 Jermyn Street

Quality: Pre-let
 Size: 22,153 sq ft
 Rent: £160/sq ft
 Tenant: Astrog Advisory Services Sarl

15 Suffolk Street

Quality: Second-hand
 Size: 2,269 sq ft
 Rent: £110/sq ft
 Tenant: Cardaq



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STRONG DEMAND FOR COMMERCIAL SPACE

Despite on-going headwinds, demand for the West End remains incredibly strong and noticeably higher than previous years with continued low supply in prime locations providing plenty of competitive tension for the best spaces.

Colliers' Central London Demand Tracker reinforced this with a 37.9% increase in requirements across the year compared with 2024. The increase was fuelled by leisure operators and fashion & accessories brands, with requirements up 60.1% and 53.6% respectively.

The start of 2026 has seen a number of administrations including Russell & Bromley, Malin & Goetz and LK Bennett which will loosen supply and one eye should remain on the impending rise of business rates which will have a significant impact particularly in this part of London, where a number of operators will be impacted by the increased business rates multiplier for properties with a rateable value over £500,000.

- Furthermore, there are redevelopment plans for The Crown Estates Clydesdale Bank House and there are plans to refurbish and enhance the building involving a deep retrofit, extension, and renewal. Early-stage proposals include refurbishment, possible extension, and limited fabric removal to improve space quality.
- It was announced in December that The Crown Estate has agreed a c.£120million deal with Kuwait Investment Authority's St Martins Property Group to buy the headlease of the five-star Dilly Hotel and the accompanying ground floor retail units on Piccadilly demonstrating continued investment into Piccadilly.



Piccadilly

Contrary to the majority of the West End, a number of developments that have been in the pipeline for some time are now in the market. For example, there is a good level of supply on Piccadilly with both Aviva's development of 41-46 Piccadilly with 9,000 sq ft of retail now in the market in addition to the Crown Estate's 33-35 Piccadilly, which offers 3,000 sq ft of retail and hospitality space.

Requirements

Requirements by Category in Central London (Q3 YoY):





HIGHEST RENTAL VALUES SEEN IN PICCADILLY DISTRICT

Retail rental values across the BID area vary significantly by location, with Piccadilly and Jermyn Street continuing to perform as two of the strongest retail pitches.

Zone A rents on Piccadilly typically reach around £325 per sq ft near Piccadilly Circus, softening to approximately £250–260 per sq ft towards Green Park, reflecting shifting footfall and trading conditions. Recent evidence on Jermyn Street shows continued resilience, with latest lettings achieving £290 per sq ft Zone A – an increase of previously seen levels of £225–250 per sq ft.

Across the wider area, Leicester Square's predominantly F&B/leisure offer supports weighted rents in the region of £250–300 per sq ft, equating to a flat rate of at least £200 per sq ft. Haymarket, while more challenging to convert to a strict Zone A basis, is estimated at £125–150 per sq ft, whilst Piccadilly Circus rents are slightly higher.

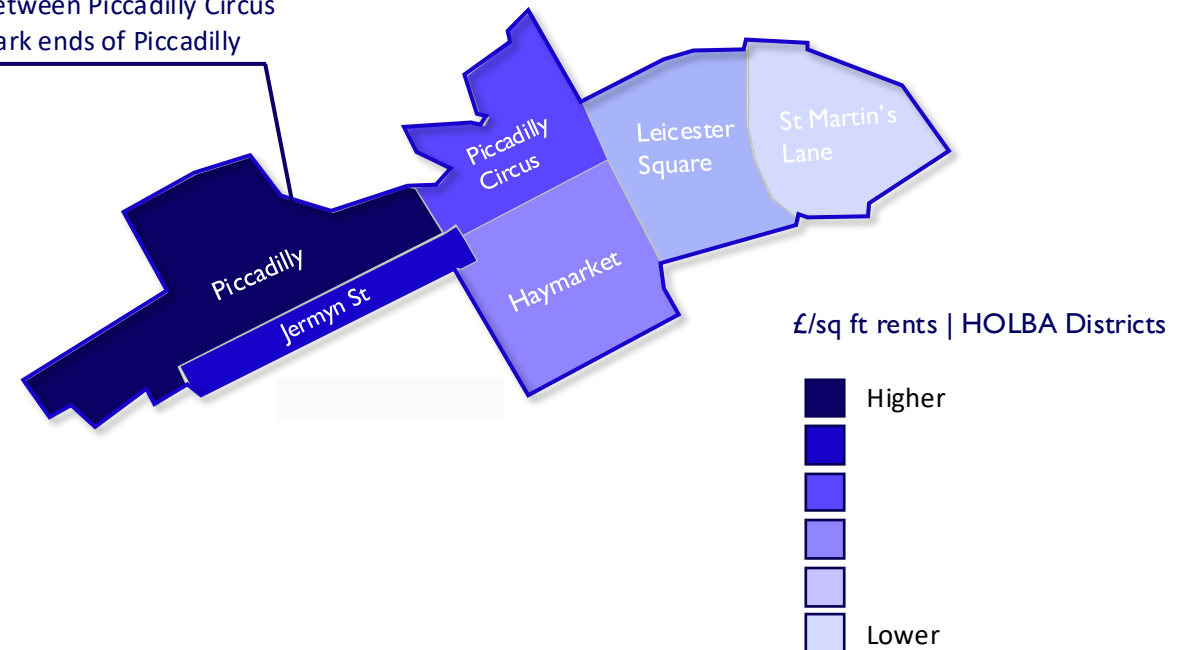
Recent F&B evidence on Jermyn Street indicates weighted rents of around £130 per sq ft (~£100 per sq ft flat). These rental patterns help contextualise the BID's overall 5.3% vacancy rate, with the strongest frontages maintaining occupancy and value despite wider market pressures.

*N.B. **Zoned Rent** = A method that values a shop by splitting it into depth-based zones and converting the whole unit into a comparable Zone A (most valuable front section of a store) rate. **Weighted Rent** = A blended rent that applies different weightings to each area of a unit (e.g., ground floor, basement) based on functional trading value. **Flat Rent** = A simple average rent per square foot applied uniformly across the entire unit with no zoning or weighting.*

Prime Commercial Rent £ per sq ft per annum

Significant variation in rental values within districts

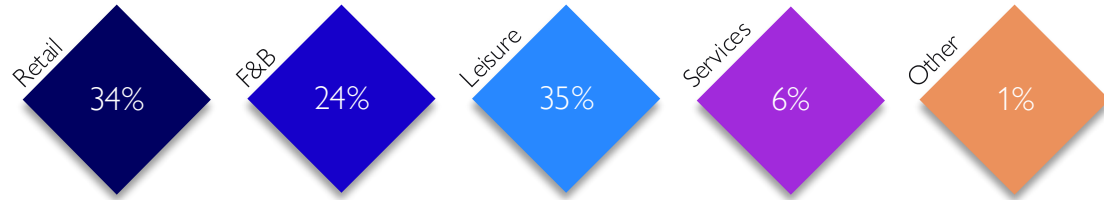
E.g. Piccadilly District - ~£75/sq ft difference between Piccadilly Circus and Green Park ends of Piccadilly



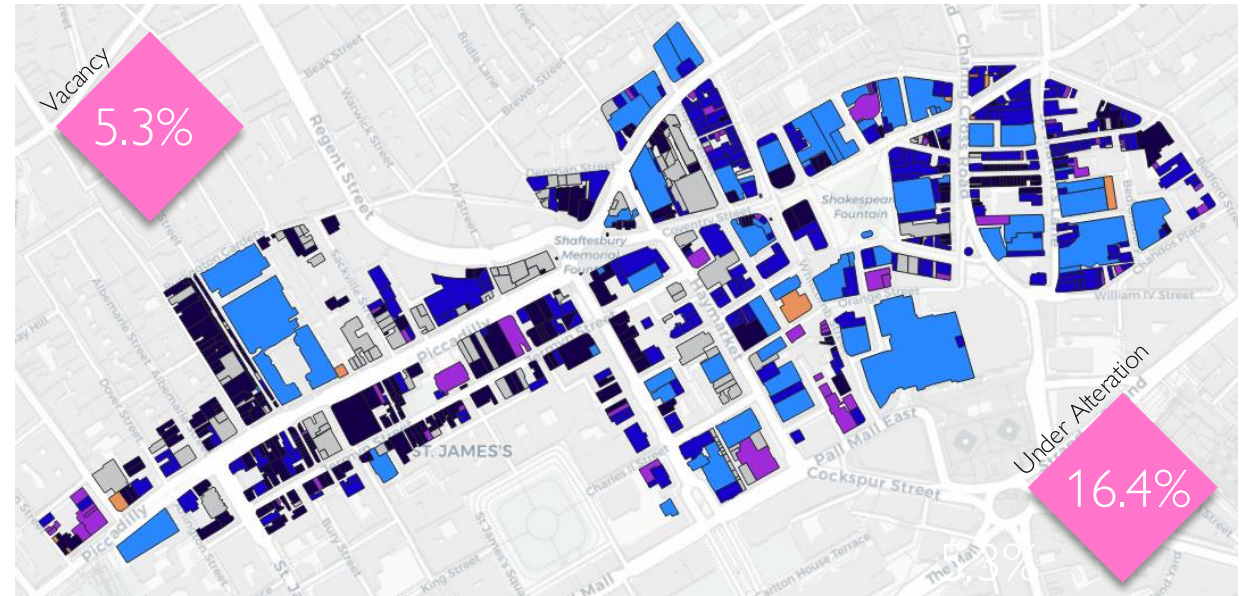
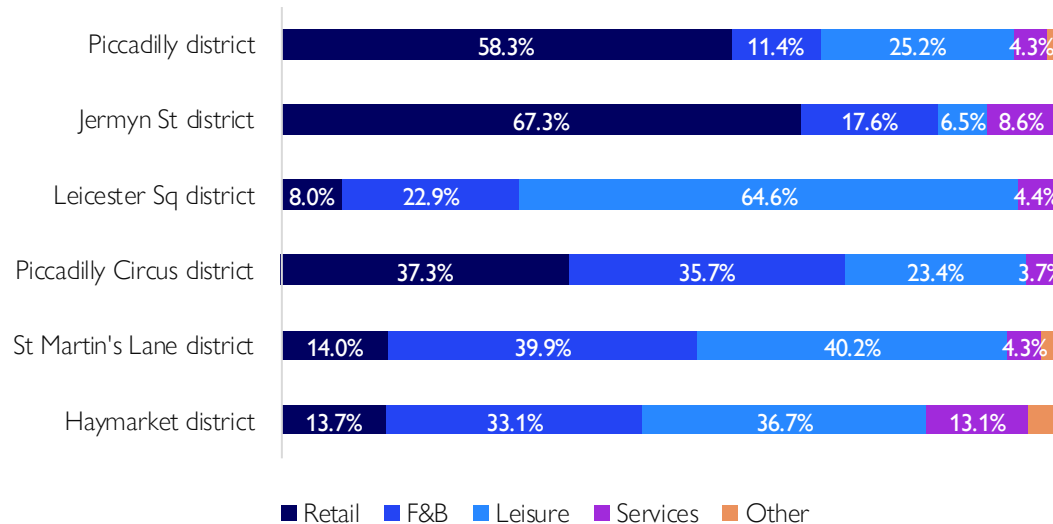


34% OF OCCUPIED SPACE ACROSS THE BID AREA IS RETAIL ORIENTATED, WITH LEISURE THE MOST DOMINANT CATEGORY

Occupied space mix | HOL Area



Occupied space mix | HOL Districts



Retail accounts for slightly over one-third of the HOL area's total floorspace, making it a foundational component of the district's commercial offer. Retail contributes an extremely varied share of floorspace by district but is most dominant in Piccadilly and Jermyn St Districts.

Leisure is the single largest category across the HOL area at 35%, highlighting the area's strong orientation toward entertainment, culture and tourism. Districts such as Leicester Sq and St Martin's Lane show especially high concentrations of leisure space.



MINIMAL QUARTER-ON-QUARTER CHANGE IN FLOORSPACE IN HOL AREA

Quarter-on-quarter change | HOL Area



-0.1%

Retail



0.9%

F&B



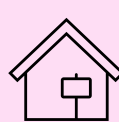
-0.2%

Leisure



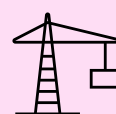
-0.2%

Total Floorspace



0.0%

Vacant Floorspace



-1.5%

Under Alteration
Floorspace

- Across the HOL area, total floorspace declined by -0.2% QoQ, falling to 2.44m sq ft gross space, whilst the headline vacancy rate stayed flat at 5.3%.
- Total unit numbers also fell, down 5 to 814, driven primarily by the unit conversion on Whitcomb Street.
- The most significant QoQ change was seen in under-alteration floorspace, which contracted by 1.5%. At a district level, Leicester Square recorded the most notable shift, experiencing the largest reduction in under-alteration space (-28.1%) as Market Place Foodhall opened. This addition represented a key enhancement to the district's offer and directly contributed to the strongest QoQ increase in F&B floorspace of any district, rising by 8.3%.
- *N.B. 'leisure' category incorporates the likes of cinemas, museums, casinos, theatres, gyms and hotels etc*



LARGEST UNITS

Largest occupied units

(Gross space)

1. Fortnum & Mason -146k sq ft
2. National Gallery – 98k sq ft
3. Royal Academy of Arts – 77k sq ft

Largest vacant units

(Gross space)

1. 55 Regent Street – 33k sq ft
2. 10 Piccadilly – 18k sq ft
3. 28-29 Haymarket – 18k sq ft

Largest under development units

(Gross space)

1. Trocadero Centre – 150k sq ft
2. 29-30 Leicester Square – 9k sq ft
3. 57-58 Haymarket – 9k sq ft



RETAIL OFFER PREDOMINANTLY CLUSTERED TO WESTERN SIDE OF BID AREA

Retail space varies across HOL districts, ranging from 8.1% in Leicester Sq to 67.3% in Jermyn St

Flagship units positioned along the main Piccadilly – Leicester Sq corridor, including Fortnum & Mason, Waterstones, Lilywhites, M&M World and Lego

**FORTNUM
& MASON**
EST 1707

m&m's

LEGO

W
Waterstones

Lillywhites



F&B SPREAD MORE EVENLY THROUGHOUT THE BID AREA

Tourist hotspots of Piccadilly Circus and St Martin's Lane District are the most F&B dominated districts, at ~40%, whilst Piccadilly District has the least (17.1%)

THE DILLY
 PICCADILLY
 Note: Hotel with restaurant

THE DEVONSHIRE
 SOHO SINCE 1793

ALBERTS SCHLOSS

MARKET PLACE

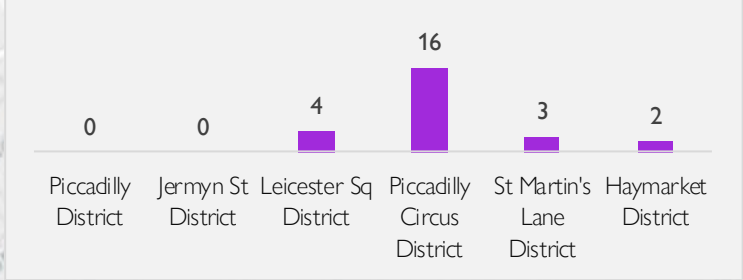
Hard Rock CAFE

FALLOW
 delicious, sustainable dining



25 OCCUPIERS IDENTIFIED AS 'LOW QUALITY' – 3.1% OF BID AREA – CENTRED AROUND TOURIST HOTSPOTS

Low Quality Retailers | HOL Districts





LATEST AND UPCOMING OPENINGS DOMINATED BY F&B

The HOL area continues to see strong F&B-led activity, with several prominent brands expanding their presence.

Flat Iron is set to open at 21 Denman Street, while The Grill is launching at 94 Piccadilly, further strengthening the area's dining offer. Market Place has recently opened in Leicester Square, adding to the cluster of casual and social dining concepts, and Yard O Led has opened in Piccadilly Arcade, enhancing the locality's specialty retail mix.

Looking ahead, a new menswear brand is due to open at 48–49 Jermyn Street, alongside a restaurant/patisserie at 180 Piccadilly, contributing to the area's evolving blend of fashion and hospitality. In addition, a Time Out Market is proposed for 55 Regent Street / 10 Piccadilly. Although the scheme has not yet exchanged, it has already generated significant press interest, signalling strong confidence in the location.

Recent Openings | HOL Area

MARKET PLACE

Yard O Led

Upcoming Openings | HOL Area

FLAT IRON

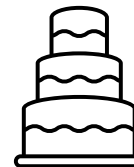
NEOS
HOSPITALITY

THE GRILL

Under Offer | HOL Area



Menswear



Restaurant/patisserie

TimeOut



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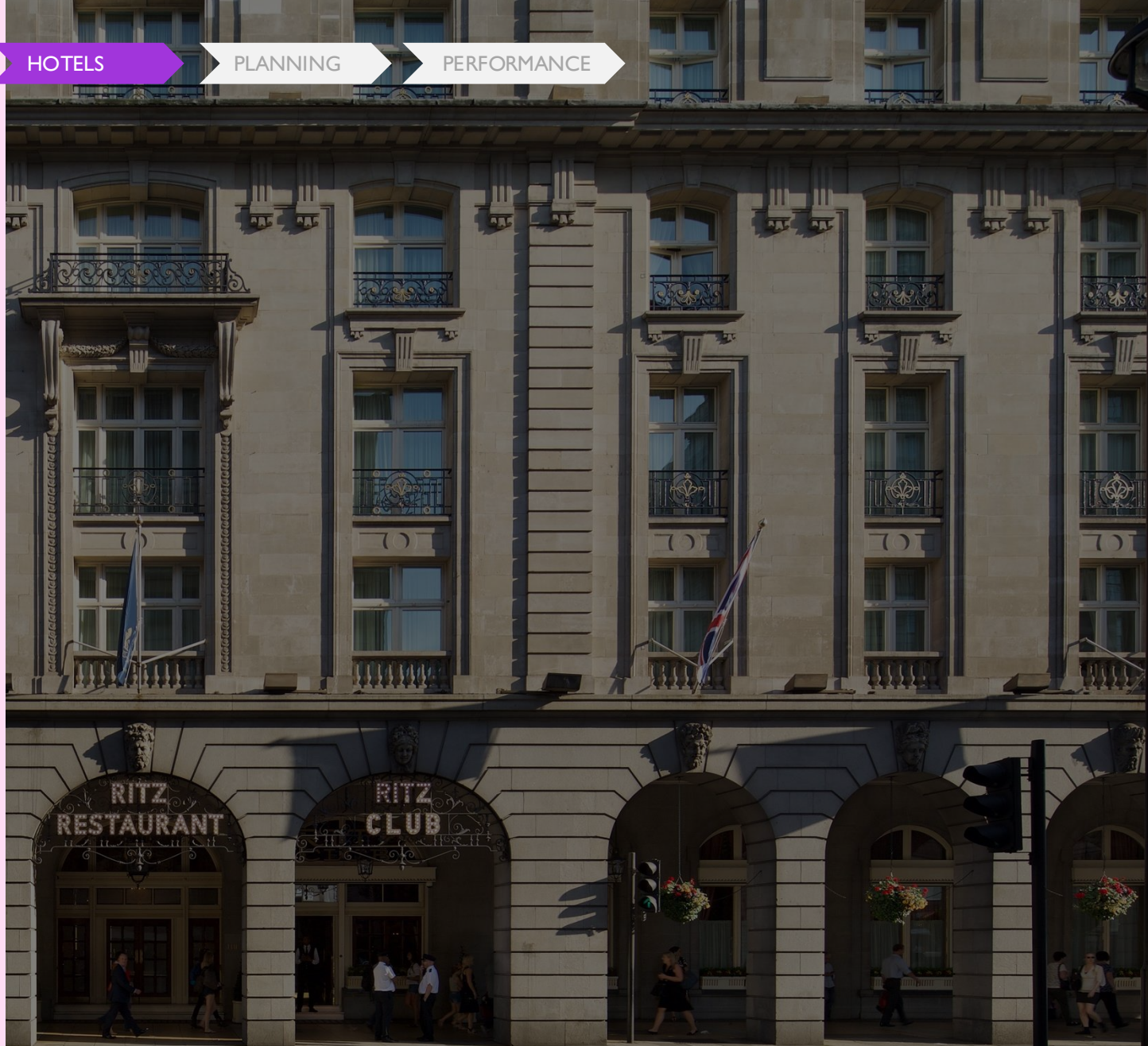
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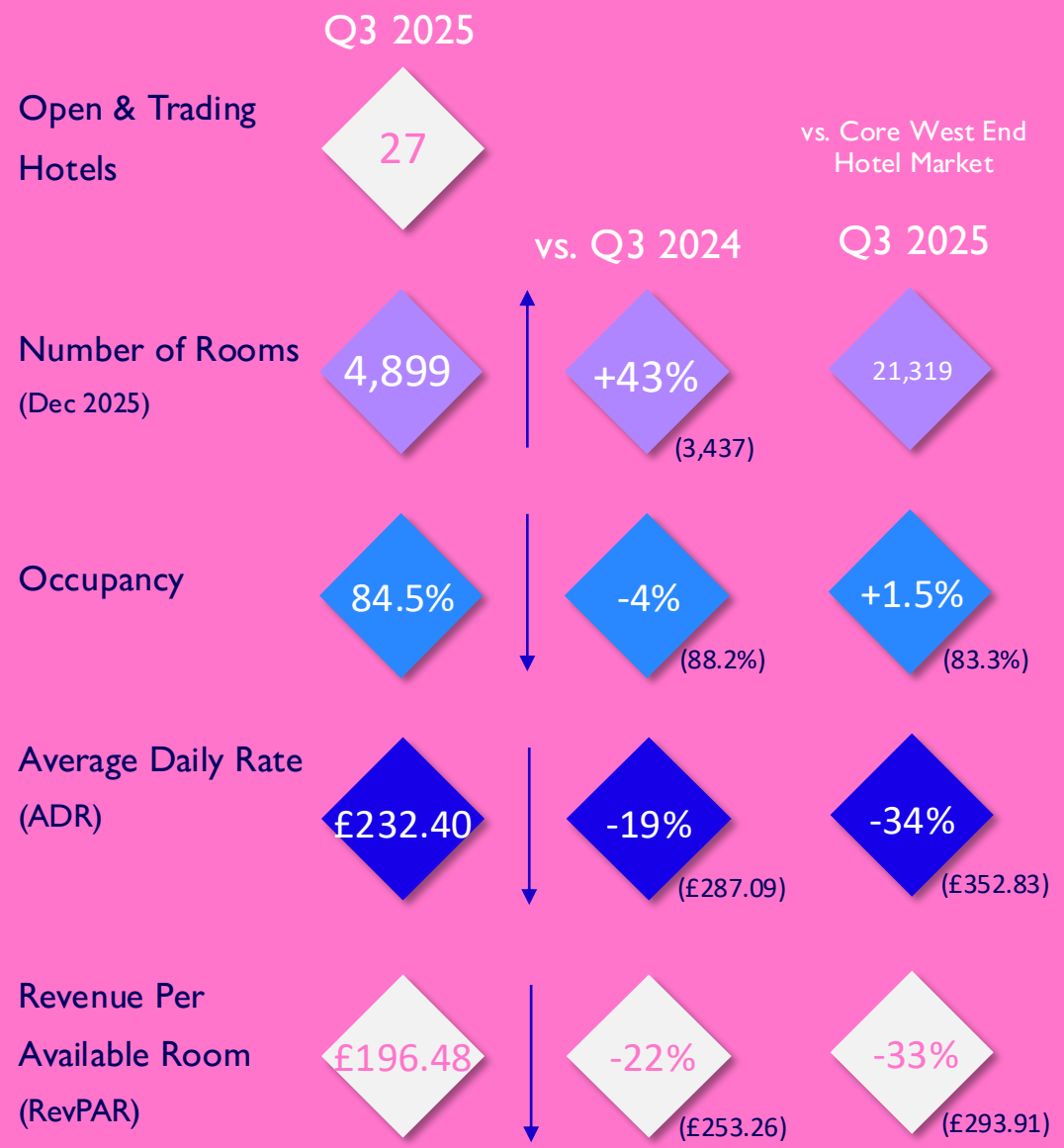
HOL HOTELS OUTPERFORMED LONDON MARKET IN Q3 2025



The Q3 2025 hotel market analysis for the HOL area evaluates performance across key indicators including occupancy, ADR, RevPAR, and development activity.

- Hotels in the HOL area performed below expectations in Q3, despite strong macro-drivers such as rising international visitor numbers. VisitBritain forecasts indicated that 2025 inbound travel would surpass 2024 levels by 4%, though this uplift was not reflected in Q3 2025 hotel performance, with a decline in all key performance indicators compared to the same period in 2024.
- Comparative to the overall London hotel market, hotels in the HOL area performed ahead in terms of both occupancy (+0.5 percentage points) and ADR (+19.5%) performance, according to Q3 2025 CoStar data. The outperformance was primarily price driven, showcasing the rate premium hotels in the HOL area can command compared to other areas across London.
- Despite HOL hotels performance metrics outpacing the overall London market in Q3 2025, YoY performance shows the London hotel market experiencing RevPAR growth of 1.4% between Q3 2025 and the same period in 2024, compared to a -22% decline during the same period for the HOL area hotels.





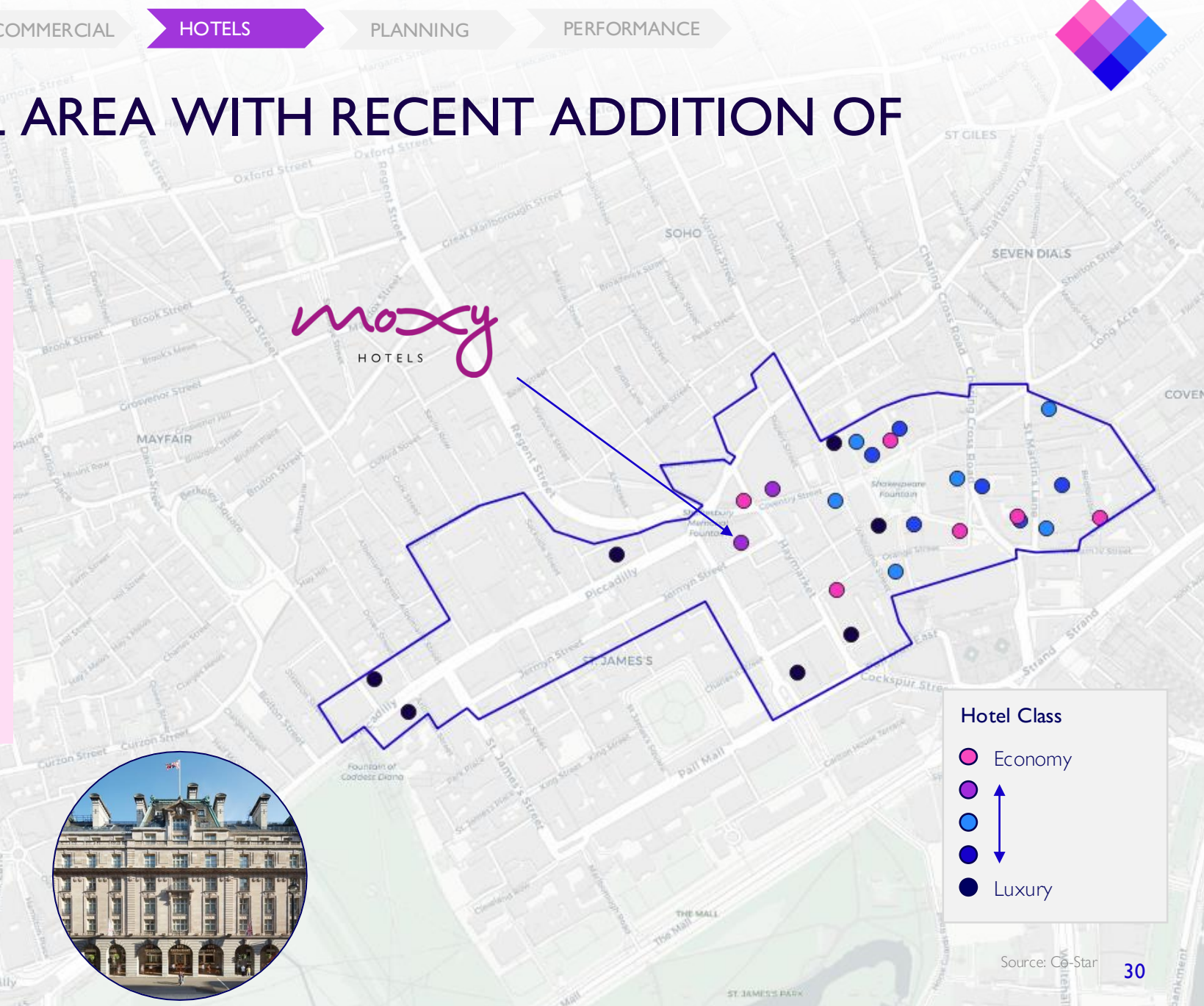
- According to the CoStar Hotels Database, hotel supply in the HOL area comprises 27 open and trading hotels, totalling 4,899 bedrooms. Hotel supply is skewed towards the lower end of the market, whereby 56% of all hotel rooms are positioned within the economy to upper midscale market sectors. Just over a quarter of all room supply sits within the luxury sector (25.8%).
- Significant supply growth in Q3 (+43%) can be attributed to the opening of the 384-key MOXY Piccadilly Circus in October 2025, before increasing their inventory by a further 14% in December 2025 to a total of 438 rooms, highlighting the popularity of the local market for hotel accommodation.
- The 4% decline in occupancy during Q3 2025 (versus the same period in 2024) can be attributed to new supply growth (+43%, as mentioned above) outpacing real demand growth (+35%) in the HOL area. However, it is worth noting that occupancy levels remained above 80%, illustrating the strength of the local hotel market and also indicating some level of undersupply.
- The ADR experienced a larger decline during Q3 of 2025, dropping by 19% when compared to the same period in 2024. This could be a result of increased competition in the market, as well as local hoteliers flexing rates in order to maintain occupancy (demand) levels in light of the influx of new supply, particularly at the lower end of the market. This has resulted in the RevPAR decreasing by a significant 22% and dropping below the £200 mark.
- Furthermore, of Q3 performance, December 2025 saw the largest drop in ADR performance versus prior year (-21%). This is despite visit volumes 20% up YoY across the district. This suggests hotel operators are cutting rates to remain competitive amongst the new supply intensifying the competition and adding competitive pressure, where new supply forces the market to become more price transparent and value-driven.
- Comparative to the wider local West End market, hotels in the HOL area hotel market outperformed those in the core West End area in Q3 2025 in terms of occupancy, benefitting from the sharp 35% YoY increase in demand compared with the wider West End's solid but more modest 8% growth. This surge lifted the HOL area's occupancy (84.5%) marginally above that of core West End hotels (83.3%). However, despite the stronger demand trajectory, the HOL area's ADR lags 34% behind the broader West End. This is largely due to a less established luxury and upscale inventory than the wider area, and the fact that operators in the HOL area market have utilised competitive pricing to capture new demand, limiting ADR growth relative to the traditionally premium-priced core West End.



27 HOTELS ACROSS HOL AREA WITH RECENT ADDITION OF MOXY

Hotel Market Structure

Class	No. of Hotels	% of Hotels	No. of Rooms	% of Rooms
Economy	6	22%	1,579	32%
Midscale	-	-	-	-
Upper Midscale	2	7%	1,159	24%
Upscale	6	22%	357	7%
Upper Upscale	6	22%	539	11%
Luxury	7	26%	1,265	26%
Total	27	100%	4,899	100%



Hotel Class

- Economy
- ↑
- ↓
- Luxury



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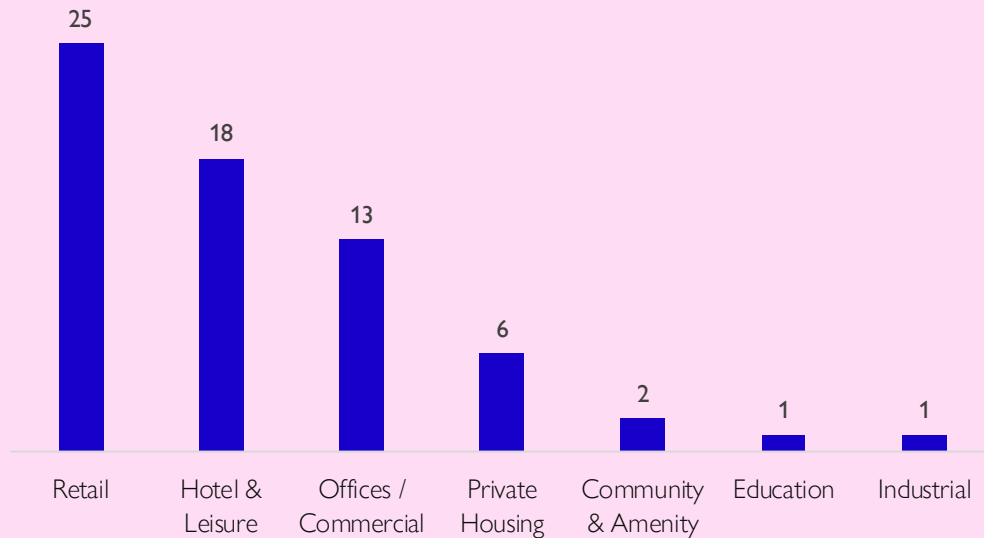


66 LIVE PLANNING APPLICATIONS ACROSS THE HOL AREA

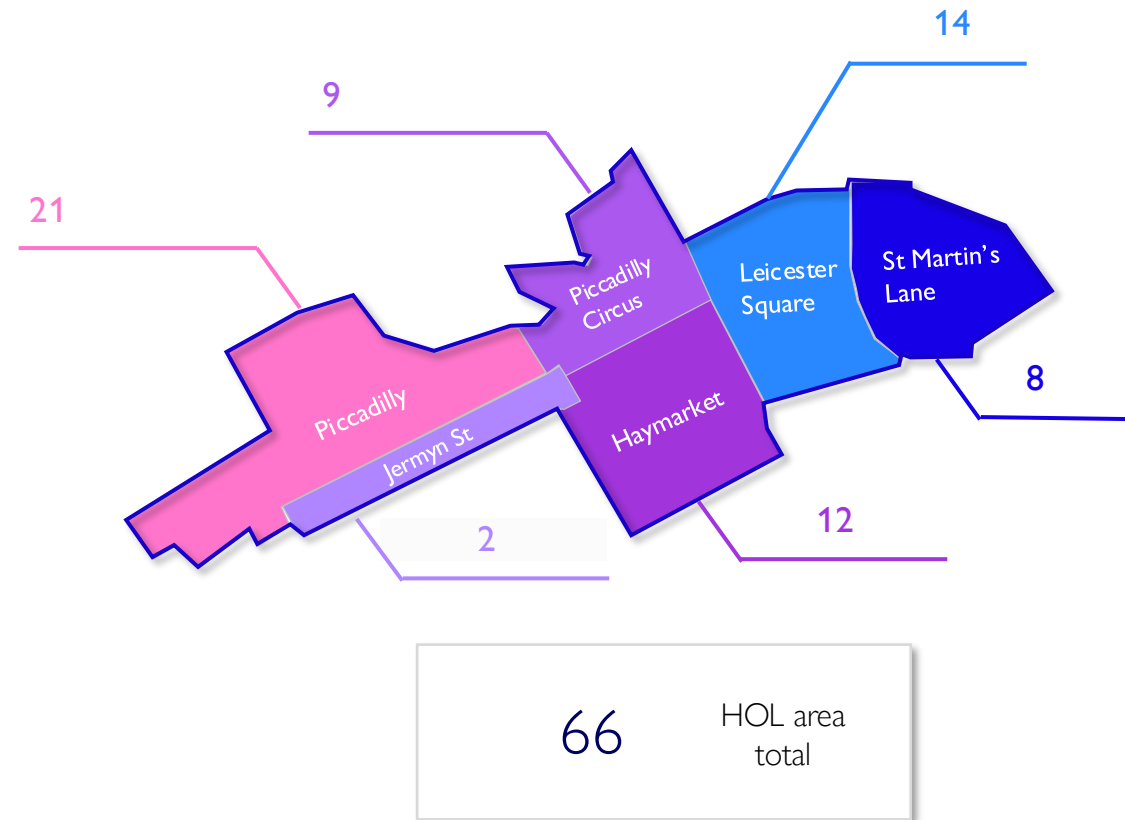
Live planning applications remain concentrated in key commercial districts, with notable clusters across Piccadilly, Haymarket and St. Martin's Lane.

Retail and Hotel & Leisure continue to dominate application volumes, reflecting sustained investment interest within the HOL area.

Planning Applications by Primary Sector | HOL Area



Live Planning Applications | HOL Districts





CURRENT APPLICATIONS BY DISTRICT

Planning activity across the HOL area remains strong, with 66 live applications progressing across the six districts.

Activity is concentrated in Piccadilly, Haymarket, and Leicester Square Districts - highlighting how investment continues to cluster around areas with high footfall, strong visitor appeal and a diverse commercial mix.

Retail and Hotel & Leisure applications dominate the pipeline, together representing over 40 schemes. Retail was the largest category, with 25 applications, reflecting ongoing efforts to enhance offer. A further 18 Hotel & Leisure proposals signal continued appetite for hospitality investment, supported by resilient visitor volumes and the area's established global draw.

Commercial and office-focused schemes form another significant part of the pipeline, with 13 applications aimed at upgrading workspace quality and future-proofing stock to meet demand for flexible, ESG-aligned environments. With new supply constrained across the West End, many owners are prioritising refurbishment and targeted retrofits to maintain competitiveness.

HOL District	Community & Amenity	Education	Hotel & Leisure	Industrial	Offices & Commercial	Private Housing	Retail
Piccadilly Circus District	-	-	4	-	1	1	3
St Martin's Lane District	-	-	2	-	1	2	3
Piccadilly District	1	-	2	-	4	2	12
Haymarket District	-	1	7	1	2	-	1
Leicester Sq District	1	-	3	-	4	1	5
Jermyn St District	-	-	-	-	1	-	1
HOL Area	2	1	18	1	13	6	25



CURRENT NOTABLE PLANNING APPLICATIONS

1 LEICESTER PLACE LEICESTER SQ DISTRICT



Heading	Restaurant (conversions/alterations)
Planning Stage	Detail Plans Granted
Contract Stage	Complete On Site
Start Date	11/04/2025
Development Type	Refurbishment
Primary Sector	Hotel & Leisure
Primary Category	Restaurants

Scheme comprises use of ground floor level as casino with ancillary restaurant in connection with the existing casino use at the basement floor level, replacement CCTV to external facade, and associated internal alterations and refurbishment works.

6 BURLINGTON ARCADE PICCADILLY DISTRICT



Heading	Shopping Arcade (Refurbishment)
Planning Stage	Listed Building Consent
Contract Stage	Pre-Tender
End Date	08/07/2026
Development Type	Refurbishment
Primary Sector	Retail
Primary Category	Shopping Centres

Scheme comprises of new signage and internal refurbishment of Grade II listed shop within Burlington Arcade.

53 CHANDOS PLACE ST MARTIN'S LANE DISTRICT



Heading	3 Flats & 1 Hotel (Conversion/Extension)
Planning Stage	Detail Plans Granted
Contract Stage	Imminent Completion
Start Date	01/07/2025
Development Type	Refurbishment/Extension
Primary Sector	Private Housing
Primary Category	Apartments, Flats (Private)

Scheme comprises construction of a roof extension to enable change of use of the existing residential unit at fifth floor to create 16 new hotel rooms, insertion of an additional floor to provide three residential homes.

40 PICCADILLY PICCADILLY DISTRICT



Heading	Office (Extension/Alterations)
Planning Stage	Detail Plans Granted
Contract Stage	Start On Site
Start Date	301/10/2025
Development Type	Refurbishment/Extension
Primary Sector	Offices/Commercial
Primary Category	Office Buildings

Scheme comprises refurbishment and extensions comprising partial demolition of the existing structure to provide additional Class E Floorspace.

42-49 ST MARTIN'S LANE ST MARTIN'S LANE DISTRICT



Heading	Music Jazz Venue (Conversion)
Planning Stage	Detail Plans Submitted
Contract Stage	Start On Site
Start Date	10/11/2025
Development Type	Refurbishment
Primary Sector	Hotel & Leisure
Primary Category	Theatres/Concert Halls

Scheme comprises of proposed change of use from the gym space, now vacant, to a Live Music Jazz Venue with a sit-down food and drink offering.



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+21% UPLIFT IN VISIT VOLUMES VS. Q2 2025

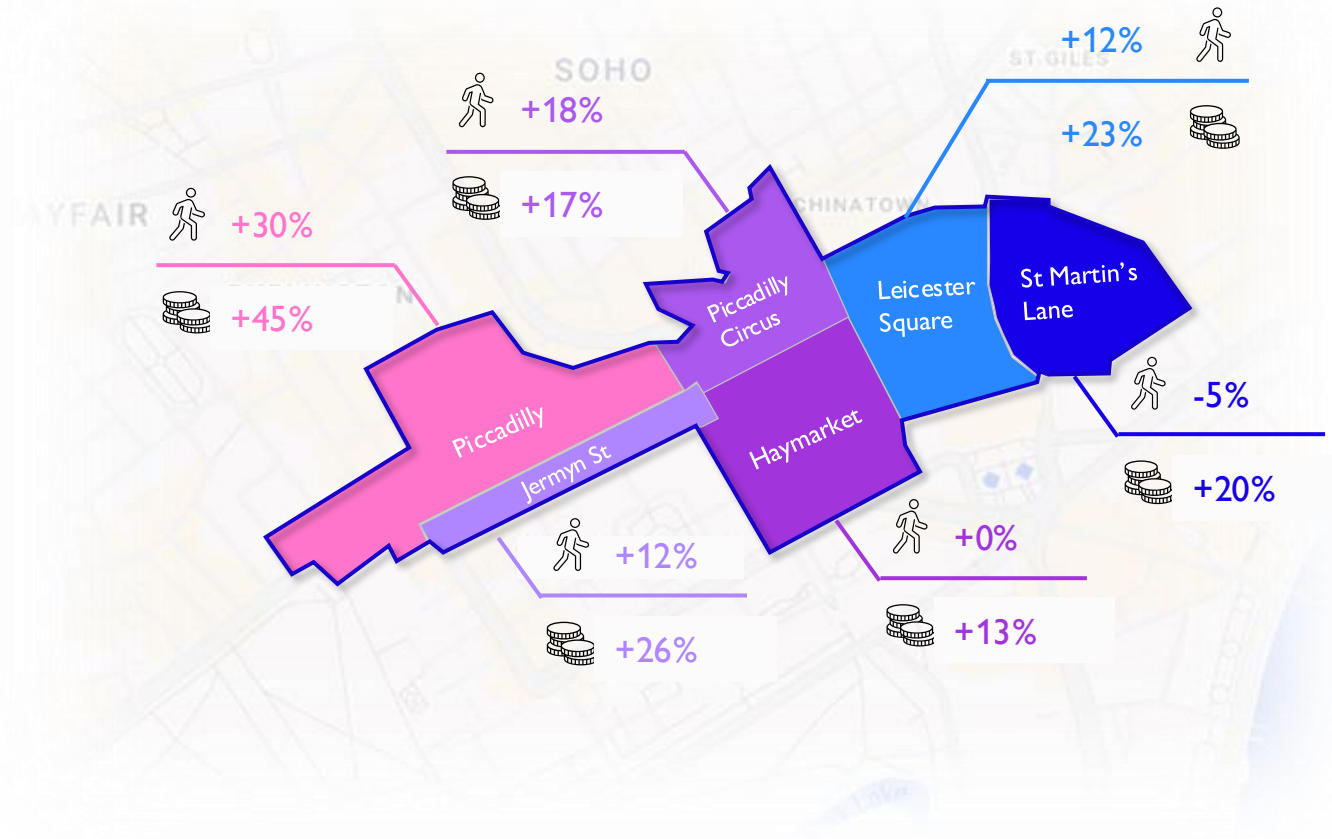
HOL Area



Strong uplift in visit volumes & spend performance across the HOL area in Q3 2025 vs. previous quarter, seeing +21% visit growth across the quarter and mirroring trends seen in TfL station usage across the district (+19%). Western districts, particularly Piccadilly & Piccadilly Circus experienced largest QoQ increase in visits, up +30% and +18% respectively. Activations & festive events across

the area, including Skate @ Leicester Square contributed to increased social & leisure visitors across HOL area – Leicester Square experiencing +12% uplift in visit volumes QoQ, with Dec-25 capturing peak visit volumes across the year, and +8% ahead of Dec-24. This also translated into spend growth, with Leicester Sq experiencing +23% QoQ growth.

Quarter-on-Quarter Performance



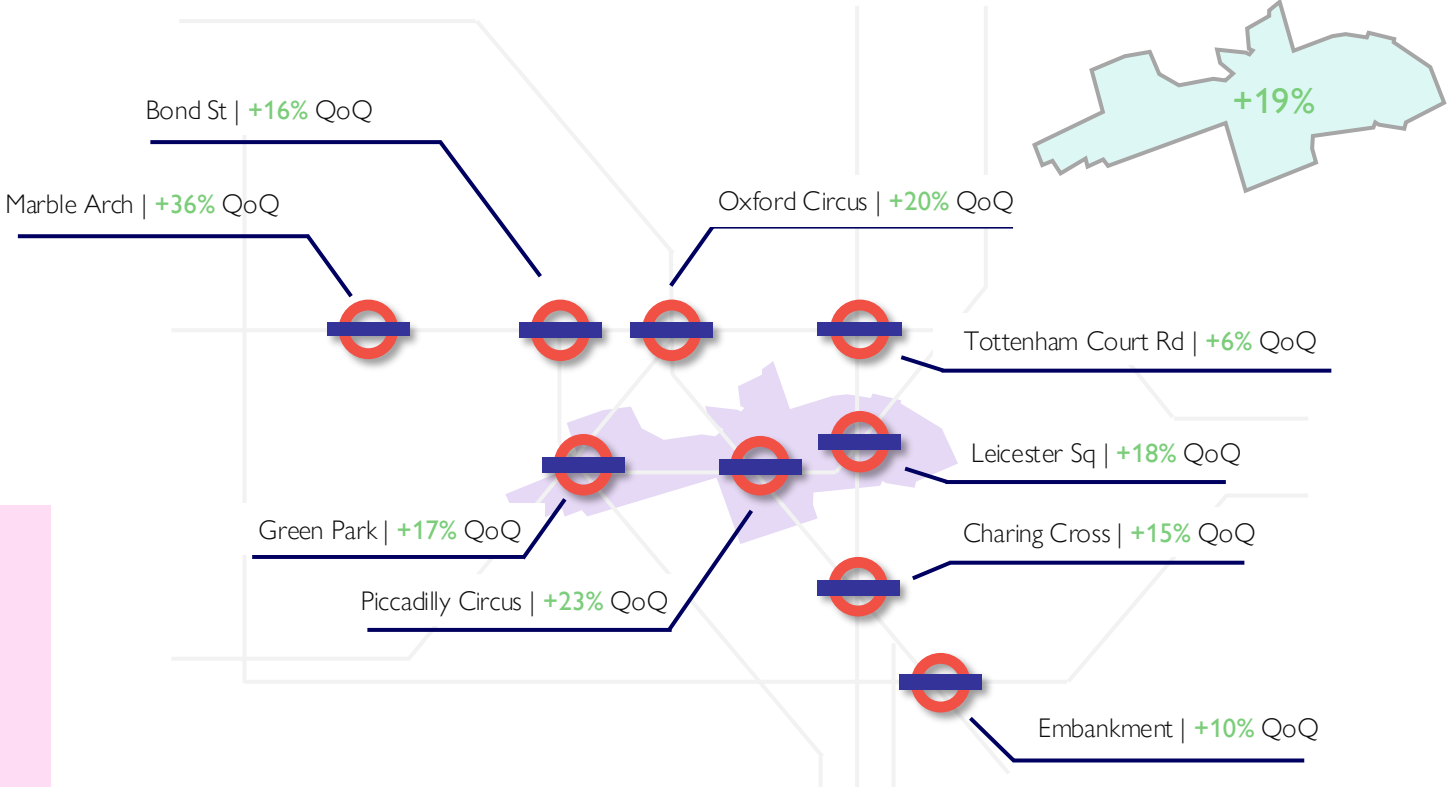


GROWTH IN STATION USAGE IN-LINE WITH UPLIFT IN HOL AREA VISITS QUARTER-ON-QUARTER, BOTH UP ~20%

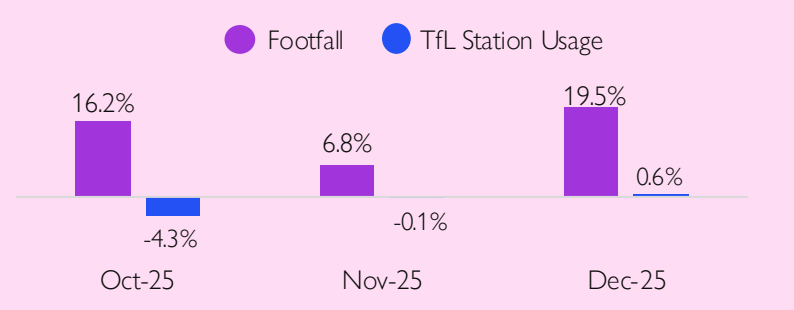
In-line with wider HOL area visit trends, TfL station usage across the West End also saw increases quarter-on-quarter. Stations across the HOL area (Green Park, Piccadilly Circus & Leicester Square) saw entry/exit volumes increase by +19% vs. Q2 2025, representing an additional 4m+ passenger journeys.

However, YoY comparisons reflect significant increase in visits across HOL area across the festive quarter, despite more consistent station usage trends relative to Q3 2024.

Quarter-on-Quarter Performance



HOL Visits vs. TfL Year-on-Year Performance HOL Area & HOL Stations

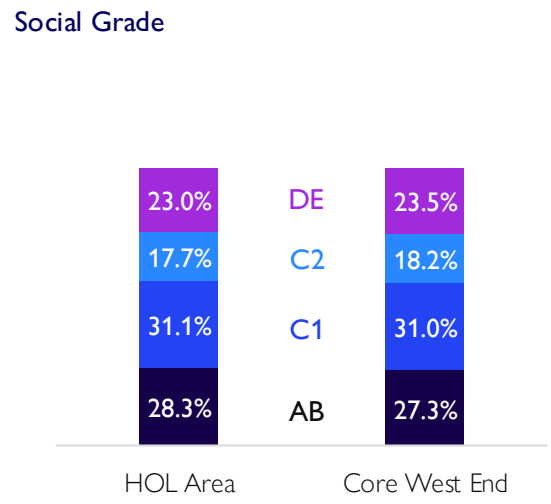
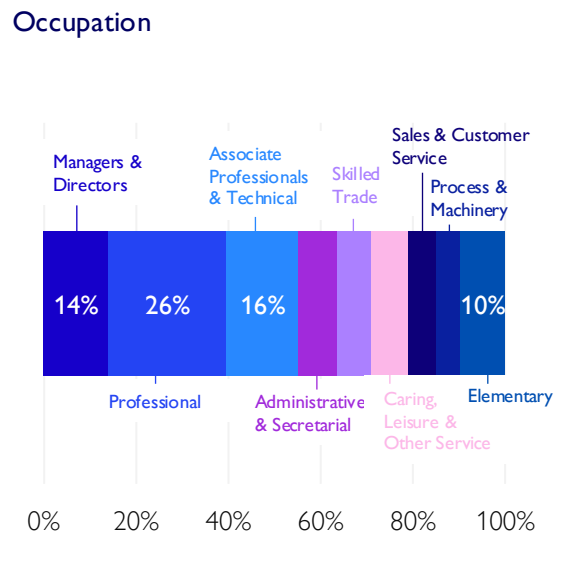
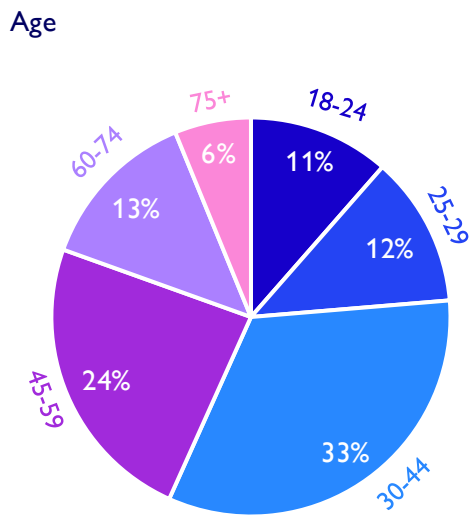


¹ Stations within HOL Area: Leicester Sq, Piccadilly Circus, Green Park
Source: Transport for London

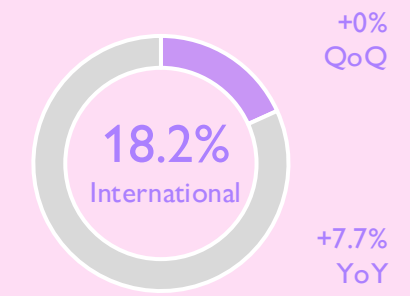
+8% UPLIFT IN INTERNATIONAL VISTATION YEAR-ON-YEAR IN THE FESTIVE QUARTER

The HOL area's strong retail, leisure & entertainment provision contributes to its status as a global destination, attracting high volumes of international visitors. ~1 in 5 visitors across the HOL area in Q3 2025 were international visitors, +4% higher than the Core West End. This international attraction was seen in all districts across the HOL area, with each district capturing a higher share of international visitors relative to the wider West End.

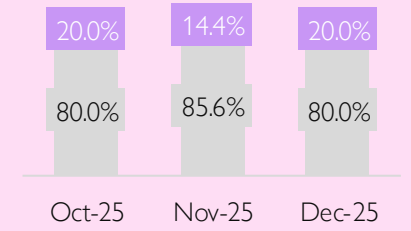
Alongside strong international attraction, the HOL area captures a domestic visitor who is biased towards a professional, high-affluent demographic; 28% of the HOL area visitors are within highest social grade (AB), +1% higher than Core West End visitor. Similarly, the occupational profile of visitors reflects a bias towards managerial & professional roles, accounting for over half of the worker-mix.



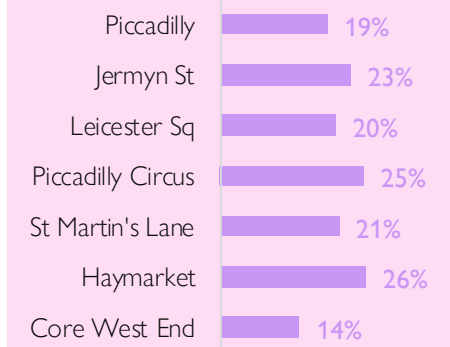
International vs. Domestic HOL Area



International | Domestic



District-Level



Source: huq and Colliers' analysis



77% OF VISITORS TO HOL AREA IN Q3 2025 FROM TOP 5 DOMINANT MOSAIC GROUPS

Q3 2025 Top 5 MOSAIC Groups

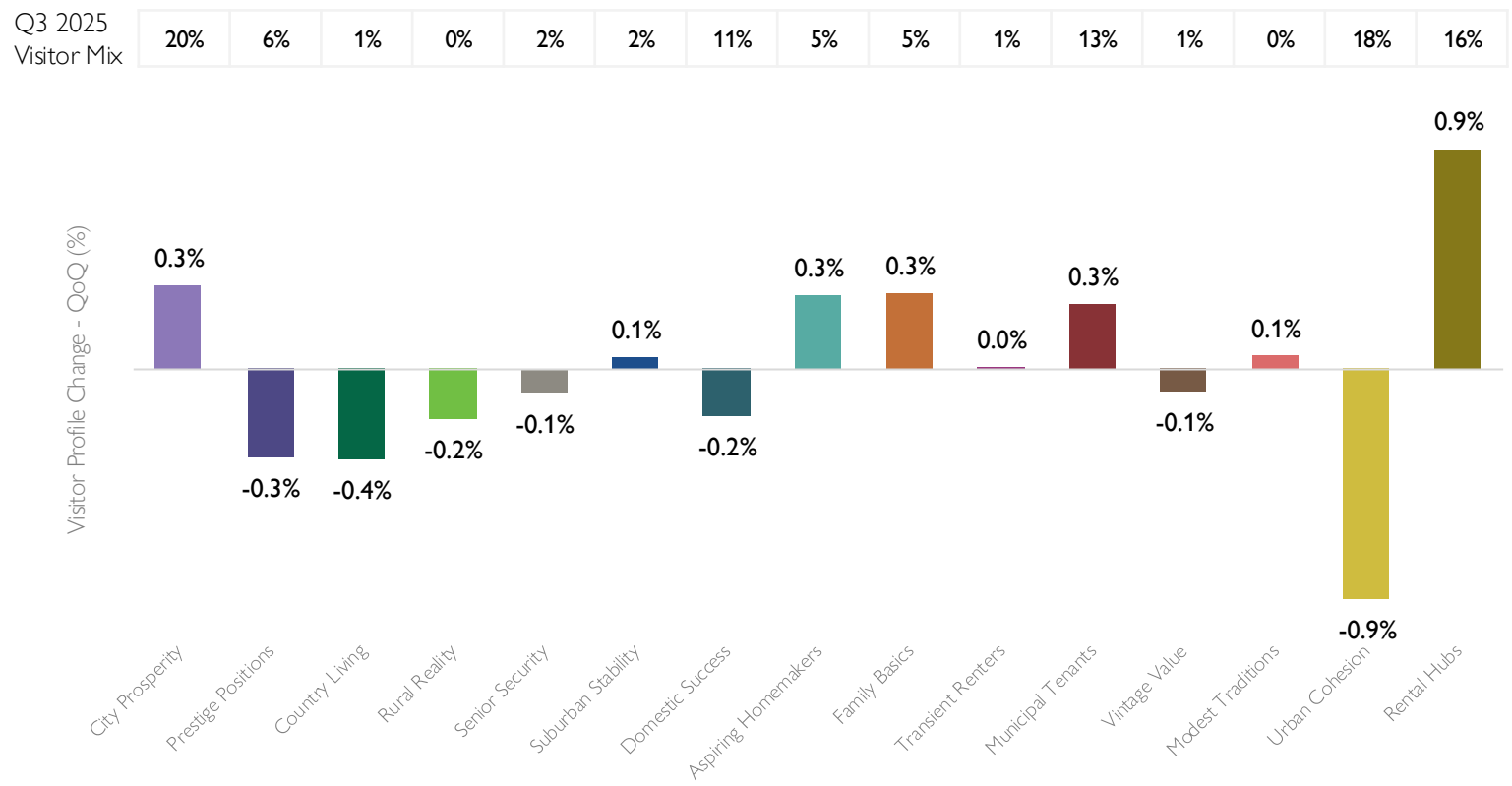


Experian's MOSAIC segmentation tool provides a detailed classification of the UK consumer market, based on demographic, behavioural & lifestyle characteristics.

Profiling visitors to HOL area shows a bias centred around 5 dominant MOSAIC groups, representing a high-income, city-focused visitor.

Rental Hubs – representing educated, young people privately renting in urban neighbourhoods – saw largest increase in visitor mix (+0.9%) vs. Q2 2025.

QoQ Change in MOSAIC Segmentation | HOL Area



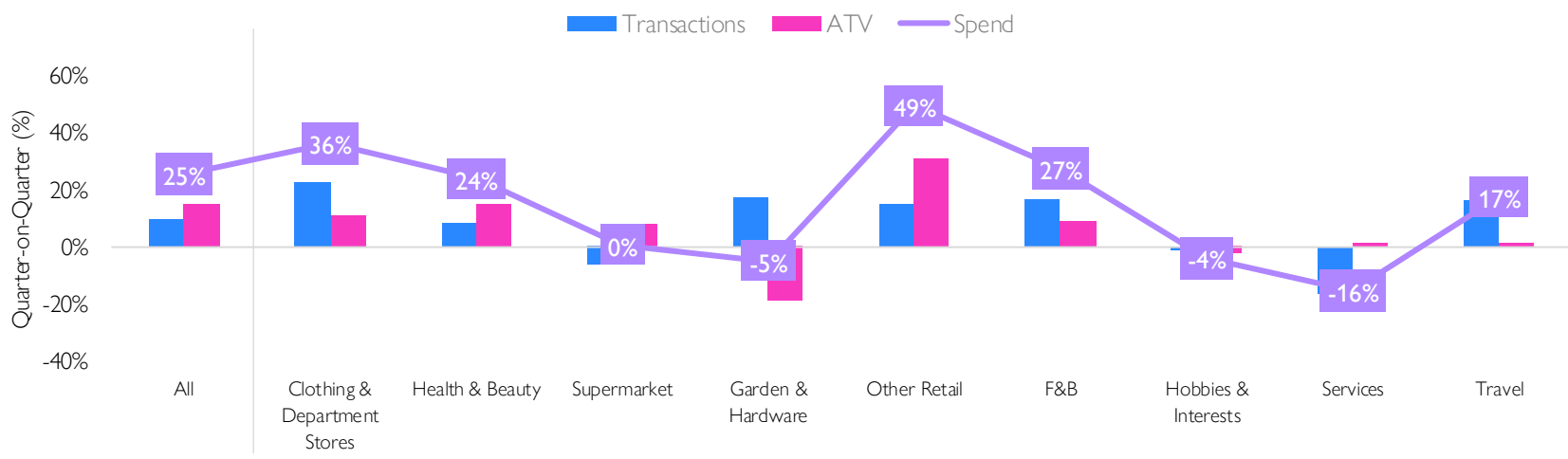


SPEND PERFORMANCE UP +25% QUARTER-ON-QUARTER ACROSS HOL AREA

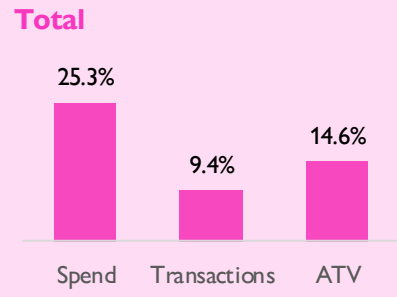


Spend performance saw strong +25% QoQ uplift in the festive quarter, reflecting both increased transaction volumes and average transaction values across the district; uplift in visit volumes in Q3 not only translating into additional spend conversion rates, but also increased spend per visit.

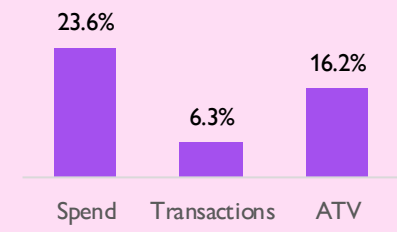
Quarter-on-Quarter Category Spend Performance
HOL Area



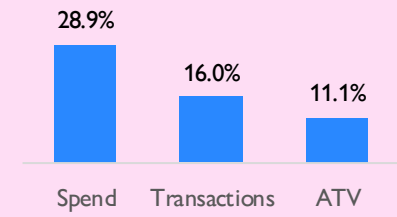
Quarter-on-Quarter Spend (%)
HOL Area



Weekday



Weekend

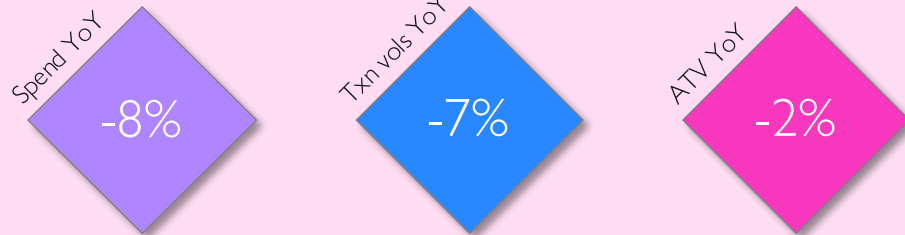


Source: Colliers' analysis, informed by aggregated & anonymised Lloyds Banking Group data
Note: insights are limited to Lloyds Banking Group's retail market share of personal current accounts and credit cards, with multipliers added to reflect real-world total spend performance



FESTIVE QUARTER SPEND DOWN -8% YEAR-ON-YEAR

HOL Area



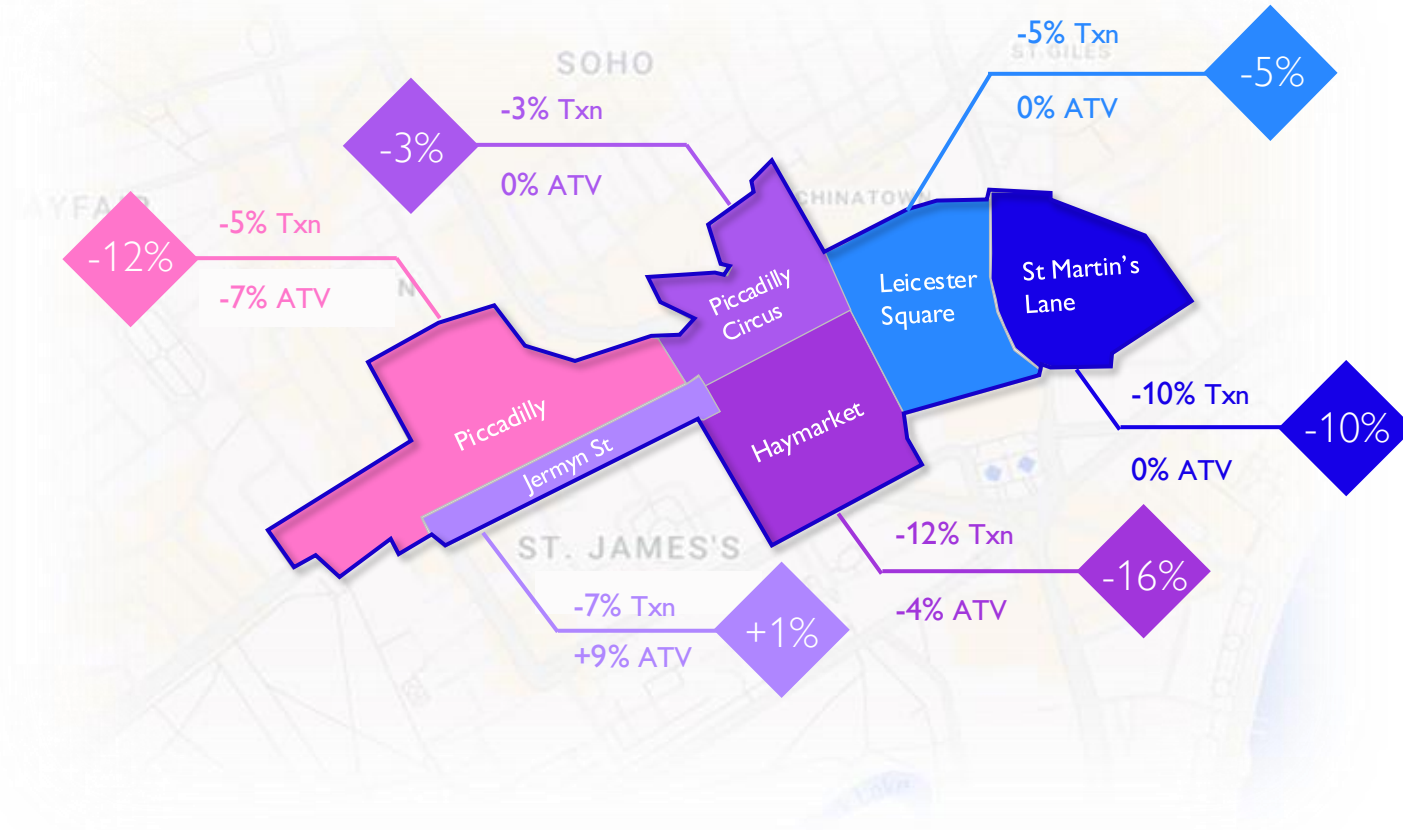
Despite strong YoY uplifts in visit volumes across the HOL area (+14%) in Q3, overall spend in the area declined by -8%, driven by reductions in both transaction volumes & ATVs.

All districts, except Jermyn St, experienced YoY decline – representing a wider trend of reduced consumer spending, which was also reflected in the wider Core West End spend

performance of -2% decline vs. the festive quarter in 2024.

This disconnect between increased footfall volumes & lower spend captured reflects general consumer sentiment and expenditure remaining cautious following a year of macro-economic pressures facing households and businesses.

Year-on-Year Spend performance



An aerial view of a city street at dusk, featuring historic buildings, a red double-decker bus, and a large geometric graphic overlay. The graphic consists of four overlapping diamonds in shades of pink, purple, and blue, forming a larger diamond shape. The word "APPENDIX" is centered in white text within the purple diamond.

APPENDIX



APPENDIX: DATA SOURCES



GOAD database of ground floor occupiers used alongside in-field survey to explore commercial offer in HOL area each quarter



CoStar is the global leader in commercial real estate data with Central London coverage
This data is augmented with other sources including Colliers proprietary data



Glenigan is a UK based provider of construction project data and market analysis for the construction and building industry



Lloyds Banking Group provide high quality aggregated and anonymised consumer spending data

Note: The insights are limited to Lloyds Banking Group's retail market share of personal current accounts and credit cards covering Oct-24 to Dec-25 and is limited to the information that Lloyds Banking Group had in its possession at the time when the report was generated



Huq provide mobility data, that is privacy compliant, analysing real world human movement patterns. Allows analysis of visitor volumes and behaviours





APPENDIX: LLOYDS BANKING GROUP | CATEGORY BRAND EXAMPLES

Category	Example Brands		
Retail – Clothing & Department Stores	Hawes & Curtis	MOSS BROS	Charles Tyrwhitt
Retail – Health & Beauty	Boots The Chemist	Roja London	
Retail – Supermarket	Tesco	Marks & Spencer	
Retail – Garden & Hardware	Robert Dyas	Miele	
Retail - Other	Waterstones	Lego	Hatchards
Retail – F&B	Albert Schloss London	The Devonshire	Browns
Hobbies & Interests	Lillywhites	Vue Cinemas	Apollo Theatre
Travel	The Londoner Hotel	The Ritz Hotel	The Cavendish Hotel
Services	Dentapime F3t	Benugo Eno	Sodexo



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