Shaping a
world-class
West End

REAL ESTATE INSIGHT
SUMMER 2026

HEART OF LONDON BUSINESS ALLIANCE

CONTENTS

INTRODUCTION & CONTEXT

This report delivers quarterly West End real estate and economic insights for the West End, for our Heart of London Business Alliance (HOLBA) members, partners and prospective occupiers.

This report cuts through the noise to provide a clear, evidence-led view of the Heart of London (HOL) area, one of London's most dynamic commercial and cultural districts, with influence that extends far beyond the local market.

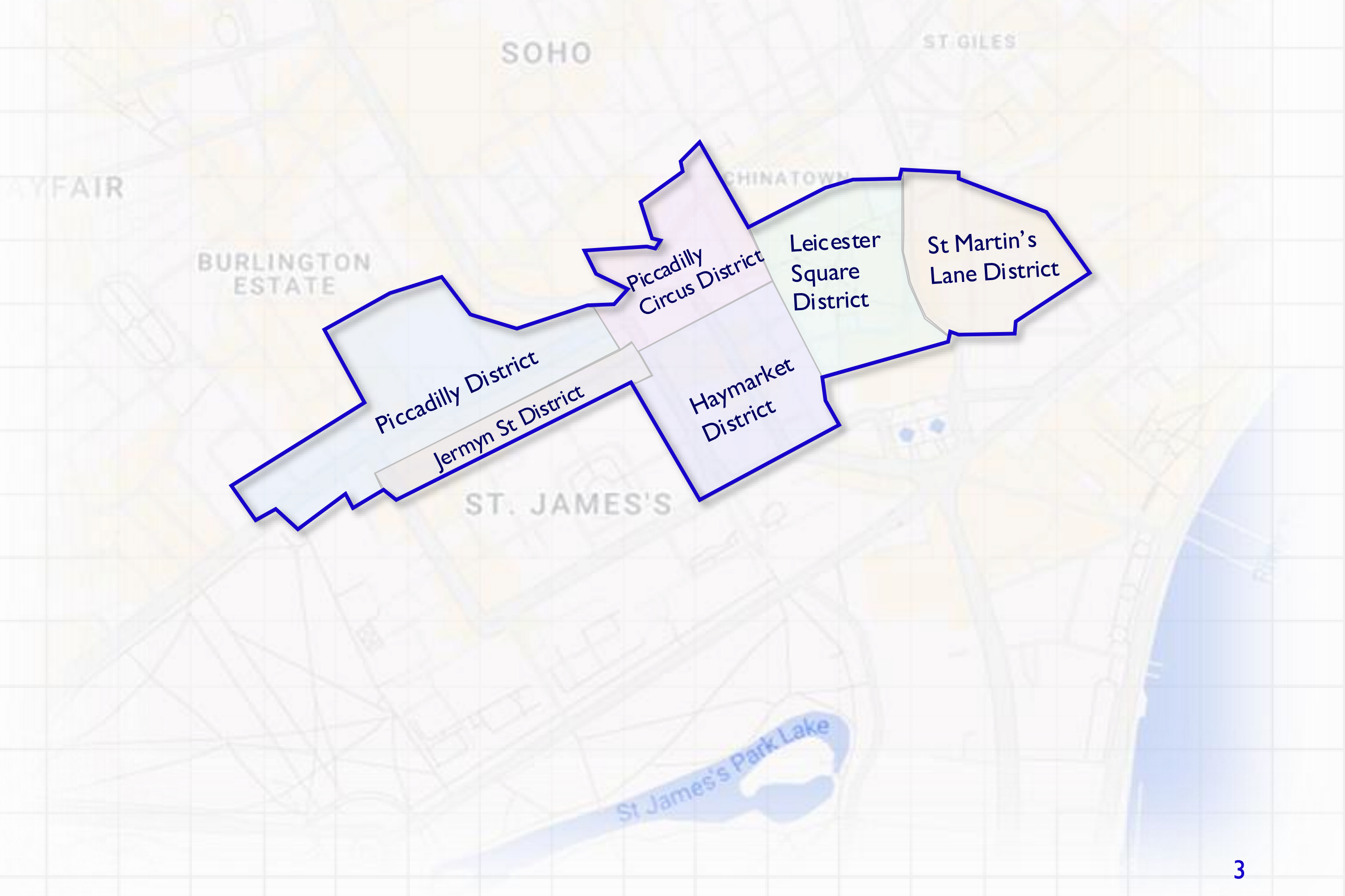
It brings together the key signals shaping the area, including:

- 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

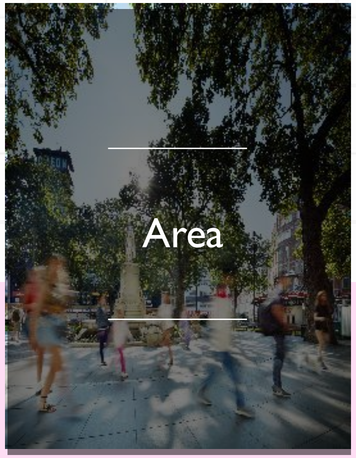
Taken together, these insights point to a market with strong fundamentals, continued momentum and clear long-term confidence, supporting decision-making for investors, agents and occupiers alike.

This edition covers April to June 2026, representing Q1 of HOLBA's 2026/27 financial year.

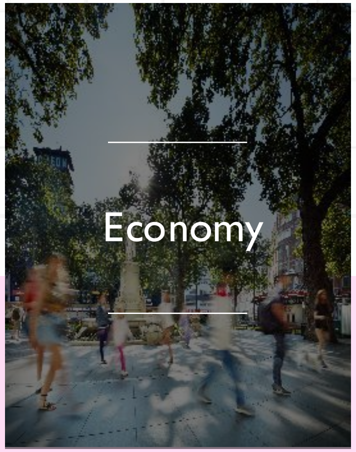
HOL Area & Districts



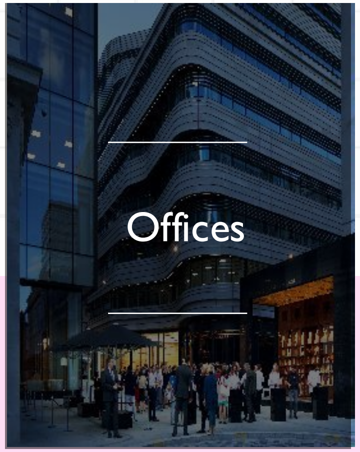
REPORT SUMMARY



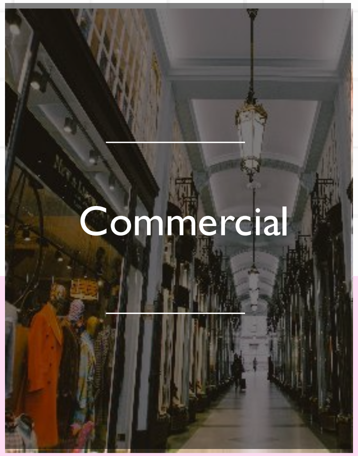
The Heart of London area delivered a mixed but resilient performance in Q1 2026. Consumer activity remained under pressure, with visits down 5% year-on-year (YoY) and spend down 3%. Heatwaves, TfL strikes and continued caution among consumers all weighed on activity, although international visitors remained an important part of the picture, accounting for 13% of footfall and growing 4% YoY.



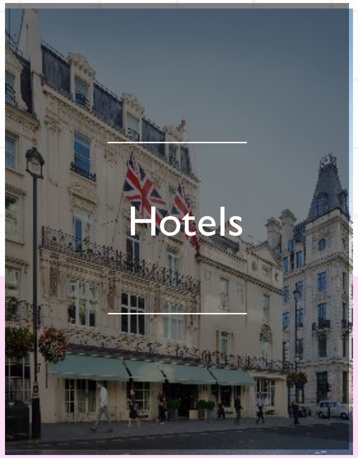
The wider economy showed some signs of resilience, with total GVA across the Heart of London area, with modest 1.8% growth quarter-on-quarter (QoQ). But businesses and households continued to face pressure and uncertainty, with consumer confidence still below 2019 levels and ongoing concerns around taxation, government policy and the wider geopolitical environment.



The property market provided a more positive story. Office take-up reached a record 55,000 sq ft in Q1, up 18% on the previous quarter, while demand for commercial space remained strong, particularly from flagship occupiers and international businesses. More than 40% of office pipeline space has already secured tenants, including GHO Capital's 28,400 sq ft letting at 33 Jermyn Street, taking the scheme to 81% pre-let ahead of completion.



Strong demand for commercial space continued in Q1, with occupier activity supported by flagship requirements and international entrants. Total vacant space fell by 1.6 percentage points across the Heart of London area.



Hotels also continued to outperform the wider London market. Occupancy reached 83%, while average daily rates rose 14% QoQ. However, increased competition following new hotel supply late in 2025 continues to put pressure on RevPAR, showing that strong demand does not necessarily translate into higher returns for operators.

Notes: GVA – Gross Value Added, ADR – Average daily rate, RevPAR – Revenue per available room

01 SUMMARY

02 ECONOMIC INSIGHTS

03 OFFICES

04 COMMERCIAL

05 HOTELS

06 PLANNING

07 PERFORMANCE

FROM STABILITY TO STABILITY+

Economic Update by Walter Boettcher (Chief Economist at Colliers)

HOL AREA PERFORMANCE – STABILITY+

In line with an unexpected resilience in UK consumer spending across the UK economy, the HOL area has seen a reasonable quarter-on-quarter (QoQ) uplift in overall GVA of 1.8% to £6.34 billion, or £14.9 billion including supply chain impacts. This compares favourably to similar uplifts of 1.4% and 1.8% for the Core West End and Westminster, respectively. The HOL uplift was driven by offices (office-based industries and professional services) at 1.75% and non-office activities (retail, F&B, arts & entertainment) which saw a 4.0% recovery after a minor contraction in the last quarter of FY25/26. This result was notable given Heathrow passenger throughput fell by 2.7% over Q1 2026/27. Despite this decline, tourists are increasingly visible across the HOL area, which saw 3.9% increase in share of international visitors.

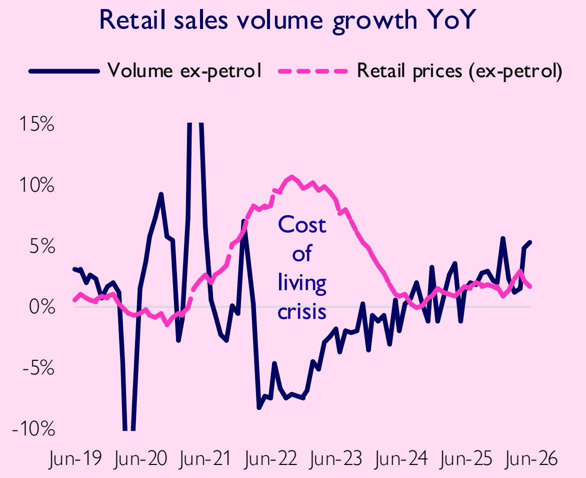
ECONOMIC HURDLES REMAIN

Unrelenting pressure on businesses in Q1 2026/27, including wage costs, national insurance and business rates, may have led to more recent positive 'noises' coming from the new Government about greater regulatory support. However, given a new surge in energy costs, few businesses have seen any significant reversal of fortunes so far. Whilst the Bank of England held the Bank Rate at 3.75% at its July meeting, inflation is still expected to rise modestly to a mid-3% range, and higher-for-longer government borrowing (gilt) rates (10Y ca 5.00%) will linger as relentless domestic and international geopolitical uncertainty maintain pressure on operational and capex borrowing rates. The latest London PMI data shows input prices up, new business and future expectations down with hiring intentions impacted negatively (see chart).

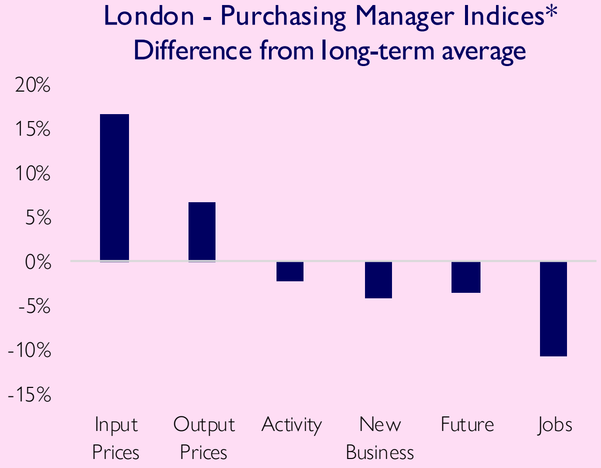
HEADLINES & POLITICAL UNCERTAINTY CHALLENGING

Consumer confidence remains subdued at –17, still down on the pre-pandemic 2019 average of –13. This arises from household fears about new taxation to finance a wide range of unconfirmed government initiatives. A third consecutive quarter of falling household real disposable income also contributes to low confidence. Nevertheless, households are beginning to spend by using savings. The household savings ratio fell from 9.7% in 2025 to 8.9% in the final quarter of FY25/26. This may be early evidence of a *potential* for stronger consumer support for the economy should Government find a palatable mix of fiscal policies to advance its agenda. Look for a third consecutive year of pre-budget uncertainty.

Note: Gilt rates are the yields (interest rates of return) on UK government bonds. They reflect the cost at which UK government can borrow money.



Source: ONS



Source: S&P Global

*Purchasing manager indices. Independent (S&P Global) monthly survey of private businesses across services, manufacturing and construction sectors about operating conditions and market expectations. A key lead indicator used to anticipate operational trends and general business sentiment.

INTEREST RATE EXPECTATIONS

Economic Projections by Walter Boettcher (Chief Economist at Colliers)

2026 Forecasts

End-2026 Forecast	Consensus Mean	Oxford Economics	Capital Economics	JP Morgan	BARCAP
Bank Rate	**3.82%**	3.75%	3.75%	4.00%	3.75%
GDP	**1.0%**	0.9%	0.9%	1.1%	0.9%
CPI (Q4 %y/y)	**3.2%**	3.1%	3.4%	3.0%	3.0%

2027 Forecasts

End-2027 Forecast	Consensus Mean	Oxford Economics	Capital Economics	JP Morgan	BARCAP
Bank Rate	**3.50%**	3.50%	3.00%	3.50%	3.75%
GDP	**1.0%**	0.9%	1.00%	1.20%	1.10%
CPI (Q4 %y/y)	**2.3%**	2.1%	2.10%	2.30%	2.10%

Notes
- Consensus Mean – Measures the average of forecasts submitted between 1st – 10th July.
- 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.
- Oxford Economics – Private economic forecasting/advisory business used by UK commercial property industry.
- Capital Economics – a private economic forecasting/advisory business known for its expertise on interest rates.
- JP Morgan – Bank known for global investment banking.
- BARCAP -- Barclays Capital known for global investment banking.

WHY WORRY?

Interest rates	Impact of high rates
Commercial debt	Operational capital for businesses is expensive, discouraging investment in facilities, stock, expansion and new employees.
Household debt	New mortgages and consumer debt becomes increasingly expensive and slows discretionary spending on professional services, high streets and leisure venues.
Government fiscal policy	High government borrowing costs erode fiscal headroom leading to another expansion of the tax base or cutbacks in services in Autumn Budget 2026.
UK real estate investment	Investment in standing assets, development and asset management becomes dormant as debt becomes non-accretive for real estate investment.

Source: HMT Consensus Forecasts 1st – 10th July 2026 (*New)

CHRONIC HEADACHES

Economic Update by Walter Boettcher (Chief Economist at Colliers)

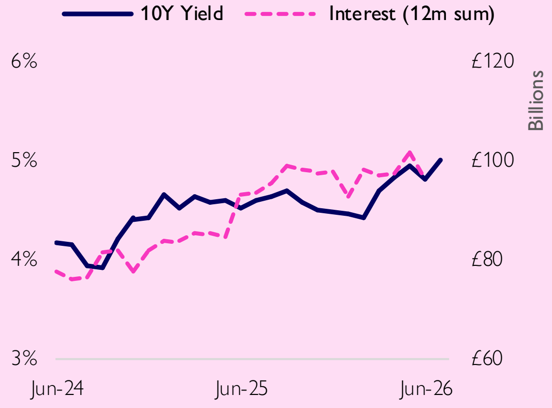
HEADROOM HEADACHES – ANOTHER 'FEAR AND LOATHING' BUDGET

Businesses and households were justified in viewing May's local election results with concern. Those concerns were reinforced by the appointment of Labour Prime Minister Andy Burnham, whose programme includes potentially radical reforms to taxation and governance. The prospect of further fiscal and regulatory change has continued to unsettle businesses, households and financial markets. Reflecting this increased uncertainty, the yield on 10-year UK gilts has risen above 5%, incorporating a higher risk premium. As a result, annualised debt-servicing costs are once again approaching £100 billion. The changing fiscal backdrop points towards a third consecutive year of tax increases and regulatory reform. According to the Resolution Foundation, the UK now faces a renewed "headroom headache", with fiscal headroom falling from £23.6 billion to around £10 billion. This deterioration reflects higher energy prices and the wider economic consequences of the conflict in the Middle East.

ENERGY HEADACHES – THE NEVERENDING STORY

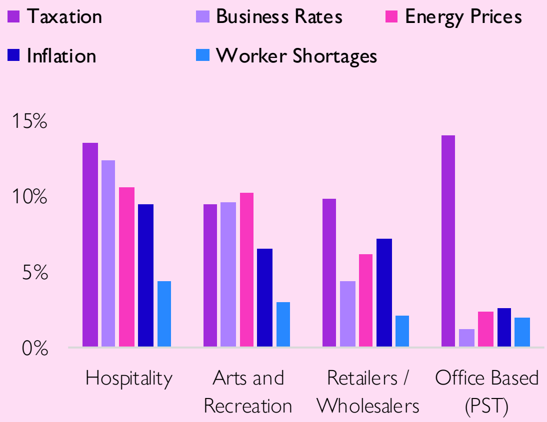
The latest ONS Business Insights and Conditions Survey (July 2026) suggests that energy costs are less of a concern for office-based sectors but remain a significant issue for Hospitality and Arts & Recreation, both of which are well represented in the HOL area. Unlike tax and business rates, international energy prices are largely beyond the influence of domestic policy, while the limits of government support are already apparent. The trajectory of the Middle East conflict remains highly uncertain, although the most severe anticipated impacts have yet to materialise. At the same time, depleted buffers, inventories and emergency reserves have heightened concerns around both global and domestic energy security. Recent developments in US politics suggest growing support for a diplomatic resolution and the stabilisation of Middle Eastern supplies of oil, LPG (liquified petroleum gas) and refined products. Despite the uncertainty, most forecasts continue to rely on market forward curves. Current contracts imply WTI crude oil prices of around $76 per barrel by end-2026, easing to $69 by end-2027. Natural gas prices are expected to end 2026 at 3.72 MMBtu, broadly unchanged from end-2025, before rising 12% to 4.19 MMBtu by end-2027, reflecting longer-term pressures on global gas supplies.

10Y Gilt Rate & Government Debt



Source: Bank of England, ONS

Business Principle Concerns



Source: ONS, BICS Wave 160 (July 2026)

Note: Gilt rates are the yields (interest rates of return) on UK government bonds. Reflect the cost at which UK government can borrow money.

2026 BUSINESS RATES REVALUATION & NEW MULTIPLIER REGIME HAS CREATED A MIXED PICTURE ACROSS THE WEST END

Rating Update by Aurora Denyer (Rating Associate Director at Colliers)

Permanent business-rates support welcomed by hospitality, leisure and much of the West End retail sector, including 20% relief for pubs/clubs

The replacement of temporary Retail, Hospitality & Leisure (RHL) relief with permanently lower business-rates multipliers from April 2026 provides greater certainty for operators planning investment, recruitment and refurbishment. Despite this, in previous years, many RHL occupiers benefited from generous relief schemes. The reduction in RHL relief, not withstanding July's announcement of a 20% business rates relief for eligible pubs, clubs and live music venues from April 2027, has resulted in a notable increase in business rates liabilities across parts of the sector, reinforcing the case for wider reform, which HOLBA is supporting as a founding member of the Real Rates Reform campaign. This is particularly relevant in the HOL area, where restaurants, theatres, attractions, hotels and experiential leisure businesses form a significant proportion of the business base. Smaller occupiers are among the main beneficiaries of the new framework.

Central London's largest occupiers remain exposed

While the new multipliers reduce the tax burden for many, the revaluations mean some businesses are seeing higher bills where rateable values have increased. A significant concern remains for larger properties with rateable values (now) above £500,000, which are subject to a new higher-value multiplier. This is particularly relevant in the West End, where flagship stores, larger hotels, major entertainment venues and premium office buildings are disproportionately represented.

Office occupiers continue to question fairness of the rating system

Unlike hospitality, leisure and retail businesses, office occupiers do not benefit from sector-specific lower multipliers. Smaller offices may gain from the general small-business multiplier, but many professional services firms continue to face high occupancy costs despite changing workplace patterns and ongoing pressure to attract staff back into the office. Business rates remain one the largest fixed costs facing occupiers in the West End.

High volume of checks and challenges placing significant burden on the Valuation Office

This stage in the life-cycle of the rating list is crucial, as for the 2023 Rating List, there is until September 2026 to submit any appeals (representing an additional 6-month appeal window following the end of the list that can be used on specific grounds). The Valuation Office (VO) received approximately 129,000 checks between January and March 2026 alone, and it remains uncertain how many of these will advance to the 'challenge' stage. Furthermore, this volume of activity places a significant burden on the VO. Given the timescales available for determining challenges, it is likely that a substantial backlog will persist for some time. This will almost certainly extend beyond the antecedent valuation date (AVD) for the 2029 Rating List on 1st April 2027.

Antecedent valuation date (AVD): date when the rental value of a property is assessed to determine its rateable value

BUSINESSES UNITE FOR BUSINESS RATES REFORM

On Tuesday 14th July 2026, the Real Rates Reform national campaign launched, calling on the Government to replace the current system with a new hybrid model that better reflects today's economy.

With HOLBA as a founding member, the campaign is supported by UKHospitality, The Institute of Directors, Music Venue Trust, Association of Town and City Management and organisations across the country.

The alliance campaigns for a Hybrid Business Rate solution to be implemented across the UK: substantially lower property-based business rates, balanced by a modest levy on eligible online sales.

For businesses across the West End and Central London, rising business rates continue to add pressure at a time when many are balancing increased operating costs and changing consumer behaviour. This affects competitiveness, investment decisions and the ability to grow. It also has a direct impact on the vitality of high streets, commercial districts and the wider visitor economy.

REAL RATES REFORM

The Hybrid Business Rate proposal would:

- Reduce the burden on bricks-and-mortar businesses
- Introduce a modest levy on online sales
- Rebalance taxation between physical and digital sectors
- Support high streets, communities and long-term investment

Source: Heart of London Business Alliance | Real Rates Reform Alliance

TAKE-UP HITS RECORD HIGH

REPORTING PERIOD APRIL – JUNE 2026

Take up

Space QoQ
+18%

Q1 office take-up reached 55,131 sq ft, up 18% QoQ

69%

69% of Grade A take-up was pre-let

Grade A
74%

74% of take-up in Q1 26/27 was Grade A

71% of Q1 take-up was banking and financial services

Vacancy

Grade A
1.3%

Grade A vacancy is at 1.3% with New Grade A at zero

All Grade
4.4%

All Grade vacancy is 4.4%, up 70 basis points QoQ

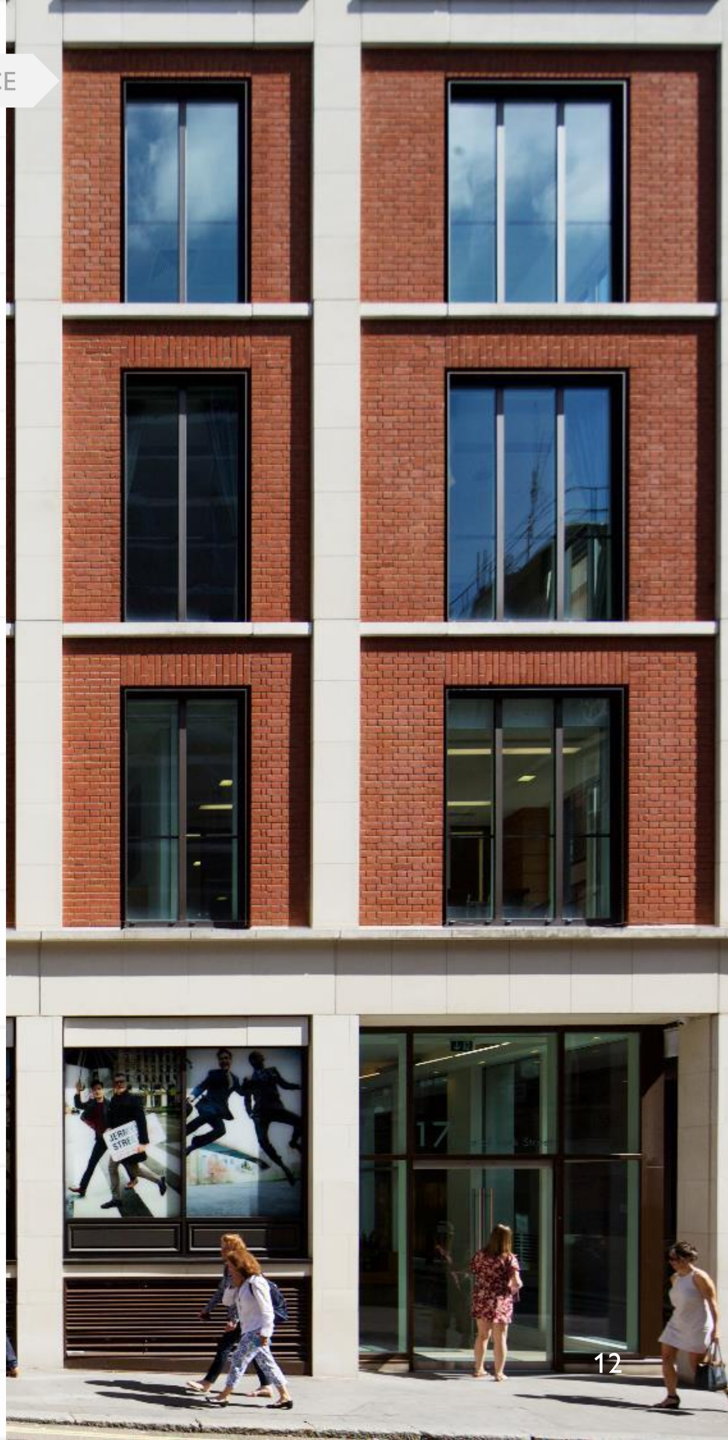
Rents & Construction

5.3%

Prime rents saw growth of 5.3% over the quarter

366,000 sq ft is under construction with 39% pre-let

Source: Colliers, CoStar
Note: Q4 2025/26 (Jan-Mar), Q1 2026/27 (Apr -Jun)



NEW GRADE A ARRIVES IN VOLUME

Q4 2025/26 — 4.00M SQ FT

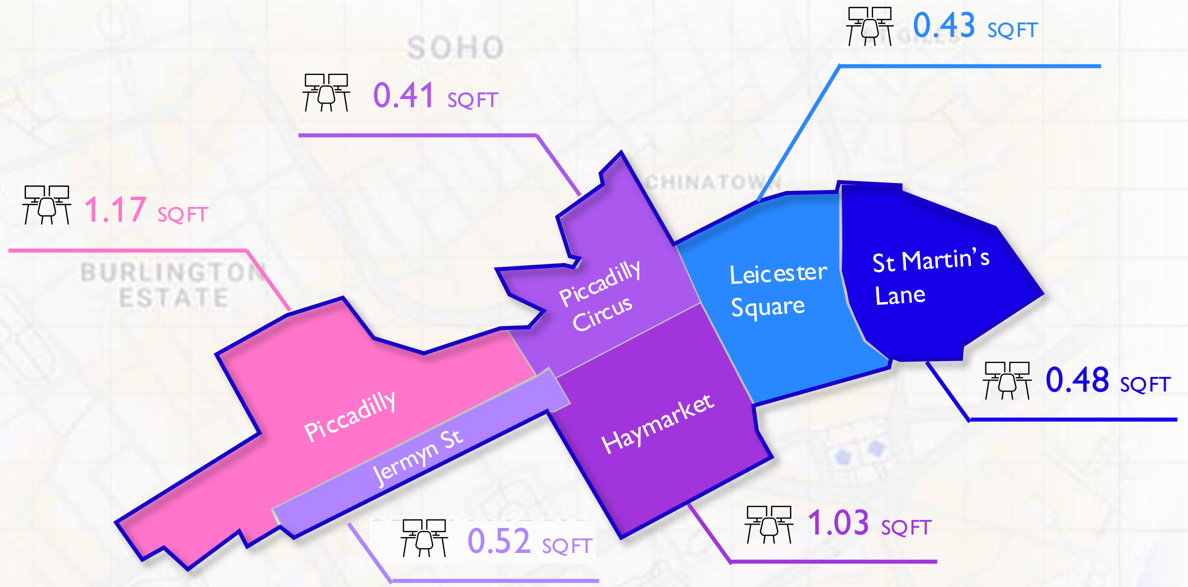
Q1 2026/27 — 4.05M SQ FT

Total office floorspace for the HOL area

Office supply loosened in Q1, reversing the tightening of the previous quarter. Availability of built space across the HOL area rose 21% to 179,685 sq ft, though the movement is concentrated rather than broad; a single Grade A release accounts for the entirety of the increase. The much-needed injection of new stock remains ahead of the market with 366,000 sq ft under construction or refurbishment and delivery weighted to the remainder of 2026.

- Built Grade A office space within the HOL area, at 1.27 million sq ft, accounts for 31% of the total area inventory. This will rise to 1.63 million sq ft, or 37% of inventory, once the eight schemes under construction or refurbishment complete during 2026, resulting in a 29% uplift in Grade A floorspace.
- Absorption of pipeline space continues to accelerate. Over 40% of pipeline space has now secured tenants. The latest letting was at 33 Jermyn Street, where GHO Capital signed for 28,408 sq ft on the 4th-7th floors, taking the scheme to 81% pre-let ahead of completion.
- Haymarket is set to see 178,000 sq ft of new space delivered in 2026 across five schemes. This equates to an upgrading of over 17% of total office stock within the submarket, the most concentrated repositioning of any HOL area submarket.

Total Built Office Stock – Sq Ft



Note: Q4 2025/26 (Jan-Mar), Q1 2026/27 (Apr -Jun)

Source: Colliers, Co-tar

PREMIUM OFFICE DEMAND

Q4 2025/26
3.7%

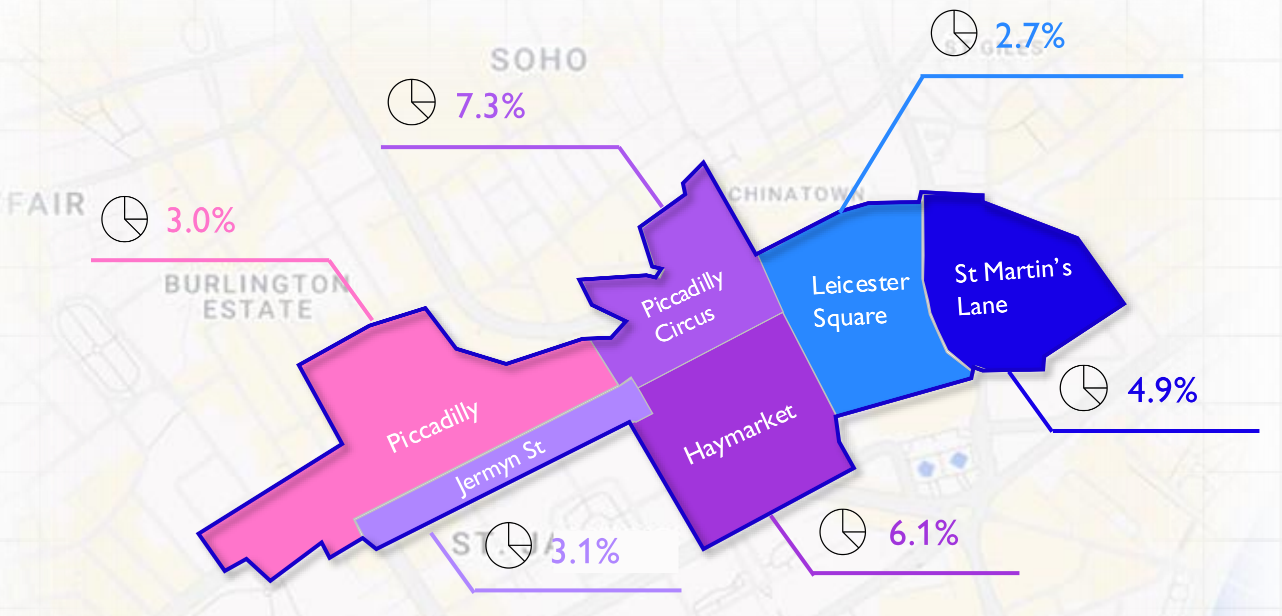
Q1 2026/27
4.4%

Vacancy rate for the HOL area

All Grade vacancy across London tightened further in Q1, falling to 8.3% from 8.5%. The Core West End moved with it, down 40 basis points to 7.2%, and the majority of West End submarkets continue to show vacancy below the London average. The HOL area ran against trend, rising to 4.4%, but tends to show greater volatility given the smaller inventories in each submarket.

- Total vacancy across the HOL area rose 70 basis points QoQ compared to a tightening London and Core West End market. The area nonetheless remains 280 basis points inside the Core West End benchmark.
- This increase is concentrated rather than broad. Lucent, 1 Sherwood Street accounts for 92% of the quarterly rise in availability; excluding it, HOL vacancy is unchanged at 3.7%.
- All Grade A vacancy stands at 1.3%, up from 0.7%. Lucent alone represents 55% of Grade A availability across the area, leaving the remaining five submarkets thinly supplied at the top of the market.
- Availability continues to be dominated by second-hand accommodation, with 71% of marketed Grade B or C, however occupier appetite remains for high quality space (80% of space leased in the past 12 months has been Grade A rated).

All Grade Vacancy Rate



7.2% Core West End Benchmark

Note: Q4 2025/26 (Jan-Mar), Q1 2026/27 (Apr -Jun)

Source: Colliers, CoStar

PRIME RENT GROWING

Q4 2025/26 £/SQ FT **£126.67**

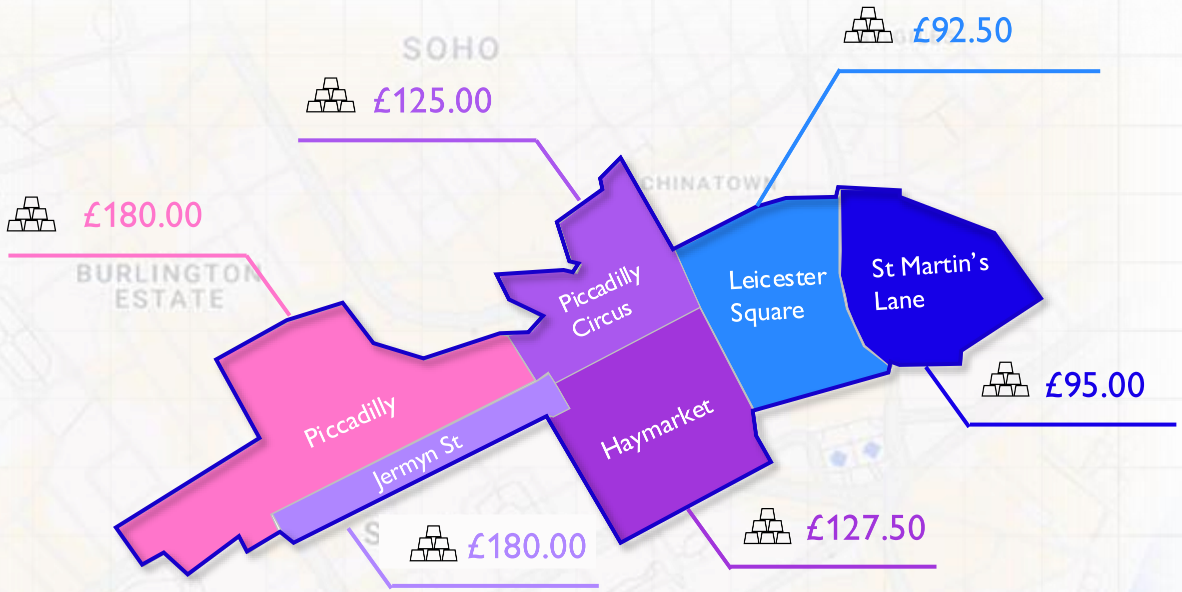
Q1 2026/27 £/SQ FT **£133.33**

Average £/sqft for the HOL area

The average prime rent in London stands at £97.98 psf and has grown by 4.9% over the past 12 months. The HOL area has materially outpaced the wider market. The average prime rent rose 5.3% over the quarter to £133.33 psf, restoring its premium image to Central London.

- Piccadilly and Jermyn Street are matching the West End prime rent of £180.00 psf for 10,000 sq ft units on mid-level floors without terraces. £180.00 is a new record rent for the location, up 7.5% on the quarter and 16.1% ahead of 2024.
- Rental growth has broadened decisively. Five of the six HOL area submarkets were elevated this quarter, against two in Q4 2025/26, with Haymarket up 6.2% to £127.50 and Piccadilly Circus up 4.2% to £125.00. St Martin's Lane was the sole submarket to hold flat, at £95.00.
- Top rents are set to see additional increases throughout 2026. The letting to GHO Capital at 33 Jermyn Street achieved £173.75 psf, 8.6% ahead of the £160.00 secured on the same building two quarters earlier, while quoting rents at the Crown Estate's 80 Haymarket run from £170 psf on the 5th floor up.

Prime Office Rent £ per square foot per annum

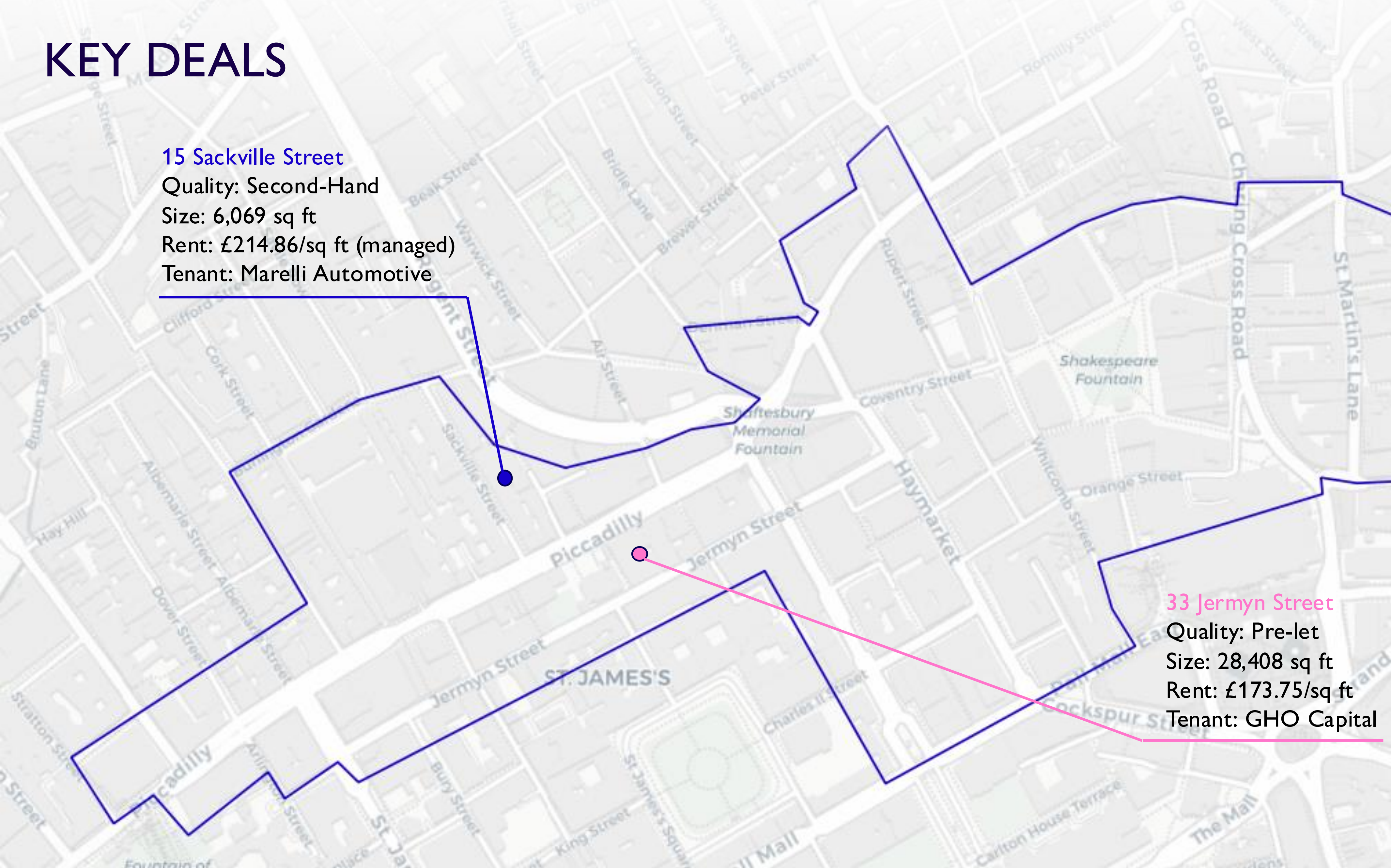


£180.00 West End Benchmark

Note: Q4 2025/26 (Jan-Mar), Q1 2026/27 (Apr -Jun)

Source: Colliers, Co-tar

KEY DEALS



15 Sackville Street
Quality: Second-Hand
Size: 6,069 sq ft
Rent: £214.86/sq ft (managed)
Tenant: Marelli Automotive

33 Jermyn Street
Quality: Pre-let
Size: 28,408 sq ft
Rent: £173.75/sq ft
Tenant: GHO Capital

Source: Colliers, CoStar


Coca-Cola
SAMSUNG
GAP

HOL AREA DEMAND REMAINS RESILIENT

REPORTING PERIOD APRIL – JUNE 2026

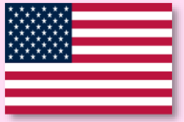
London's West End continues to demonstrate resilience, with ongoing flagship demand supporting occupier activity. Prime retail demand remains healthy, while limited availability on key pitches continues to underpin market conditions.

- Demand for prime London retail space remained robust in Q1 2026, driven by flagship requirements and continued interest from international retailers seeking representation in the West End. Recent activity includes M.J. Bale's acquisition of space on Jermyn Street for its UK flagship and Time Out Group securing its first Market site in London at 55 Regent Street, due to open in summer 2028.
- Demand continues to be driven by F&B, Leisure and Fashion & Accessories, with activity remaining broad-based across the major retail and hospitality occupier sectors.
- International demand remains an important component of the market, with continued interest from brands originating from France, the UAE and Italy alongside ongoing expansion from US operators.
- Market sentiment remains positive despite a relatively limited volume of leasing transactions this quarter, with attention increasingly focused on major development and regeneration schemes across the West End.

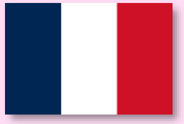
Requirements by Country – Central London Market (Q1)

Top 3 countries

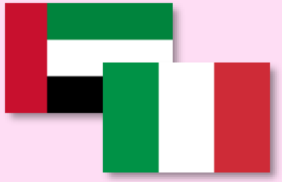
USA *(11)*



France *(5)*



UAE & Italy *(4)*



HOL Area Commercial Market (Q1 Apr -Jun)

Recent New Openings

KU ORI

HOBSON'S FISH & CHIPS

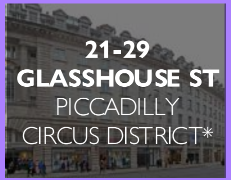
琉璃鯨 The Whale Tea

OAKBERRY

Haldiram's

frothee

Upcoming developments



*Falls marginally outside district

Source: Colliers

RENTS REMAIN STABLE ACROSS HOL AREA

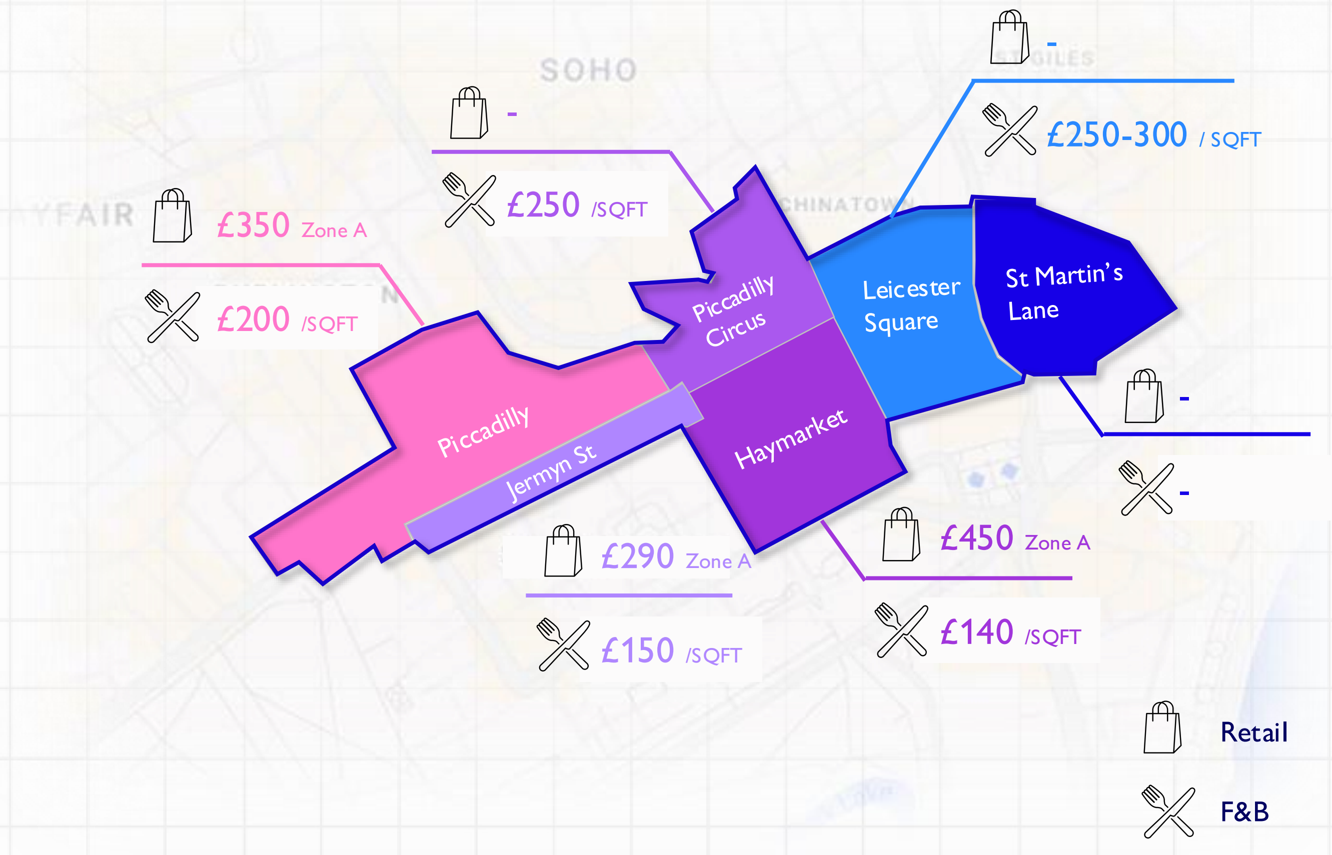
Prime commercial rents have remained broadly stable QoQ across the West End. Limited availability and sustained occupier demand continue to support rental levels, with no significant movement in rents recorded during the quarter.

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



Source: Colliers

LEISURE REMAINS THE MOST DOMINANT CATEGORY IN HOL AREA, WITH MINIMAL CHANGE IN ALL CATEGORIES

Occupied Space Mix | HOL Area

Retail 34%

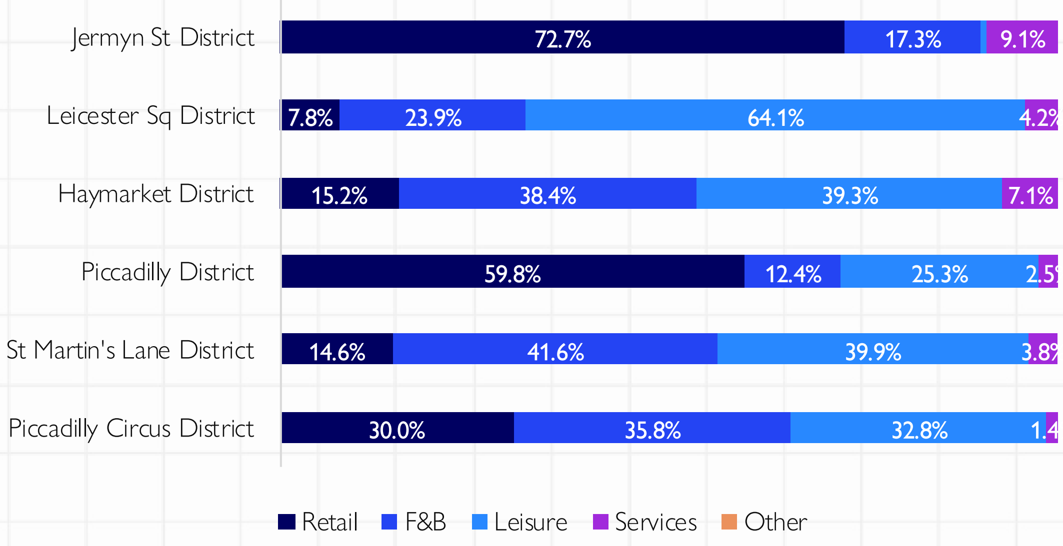
F&B 26%

Leisure 36%

Services 4%

Other 0%

Occupied Space Mix | HOL Districts



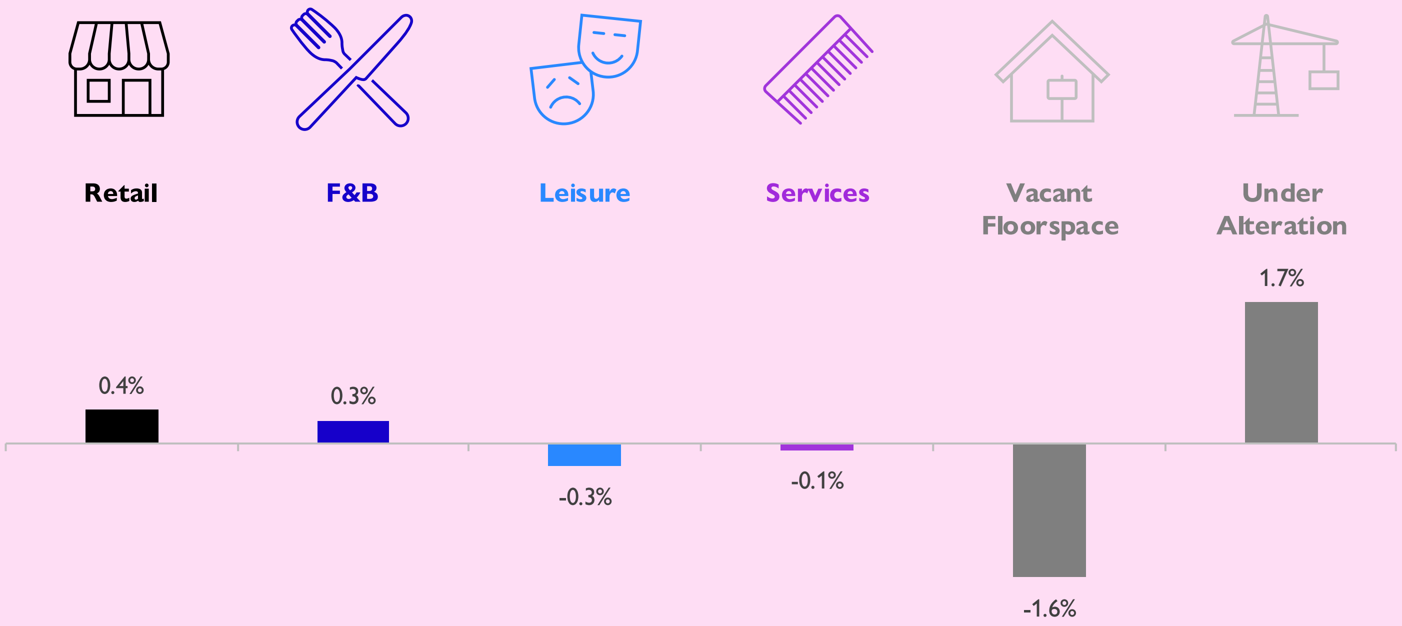
Leisure remains the dominant use across the HOL area, accounting for 36% of occupied floorspace, with the overall space mix broadly unchanged from last quarter. The category continues to be most concentrated in Leicester Square district (64.1%), reflecting its role as the West End's principal entertainment and cultural destination, whilst Jermyn Street district remains predominantly retail-led with a comparatively limited leisure offer.

Retail and F&B continue to display distinct district characteristics. Retail accounts for the largest share of space in both Jermyn Street district (72.7%) and Piccadilly district (59.8%), reflecting their established retail function, whilst F&B records its highest concentration in St Martin's Lane district.

Source: Colliers

-1.6% DROP IN VACANT FLOORSPACE VERSUS Q4, WITH A CORRESPONDING INCREASE IN UNDER DEVELOPMENT SPACE

Quarter-on-Quarter **Percentage Point C**hange | HOL Area



- Under alteration floorspace increased by 1.7 percentage points QoQ, representing the most significant change across occupancy categories during the period. The increase was primarily driven by several previously vacant units transitioning into active development.
- As a result, vacant floorspace declined by 1.6 percentage points, supported by a number of new openings including Kumori, Frothee, Oakberry Açaí, Hobsons, Haldiram's and The Whale Tea. Together, these movements point to continued leasing momentum and a healthy pipeline of occupier activity despite limited change across the wider category mix.
- N.B. 'leisure' category includes cinemas, museums, casinos, theatres, gyms and hotels etc

Source: Colliers

LATEST OPENINGS CONCENTRATED TOWARDS EAST END OF HOL AREA

Recent openings have been concentrated towards the eastern end of the HOL area, with Kumori, Frothee, Oakberry Açaí, Hobson's, Haldiram's and The Whale Tea all commencing trade during the quarter. Notably, each of these openings falls within the F&B category, reinforcing the sector's continued appetite for space across the West End.

The clustering of new occupiers around Leicester Square and St Martin's Lane further strengthens these districts' established food, beverage and leisure offer, whilst highlighting ongoing demand from both international brands and emerging operators seeking highly prominent central London locations.

Source: Colliers

LOCAL MARKET ACTIVITY

GPE have confirmed that it has fully pre-let **30 Duke Street St James**. Australian menswear brand **M.J. Bale** has taken 2,636 sq ft at **48–51 Jermyn Street / 30–31 Duke Street** for its first UK Flagship store due to open in November within GPE's newly developed 30 Duke Street St James's scheme. The development will also feature **L'eto** at 179-180 Piccadilly.

The Crown Estate will deliver a 90,800 sq ft mixed-use development of the Grade II listed building, encompassing 62,700 sq ft of prime office space with 26,400 sq ft hospitality destination across the ground, basement and first floors, and a 1,700 sq ft retail space on Regent Street. **Time Out Market** has agreed terms for its flagship London site here, expected to open in summer 2028.

21-29 Glasshouse Street will provide 63,000 sq ft offices with 15,500 sq ft of retail space at basement and ground-floor levels, improving the retail offer on Regent Street and Glasshouse Street and supporting a more vibrant mixed-use environment.

As discussed last quarter, plans have also been submitted on behalf of Soho Estates for an immersive 10 storey, visitor attraction in **Leicester Square.** The plans set out to redevelop eight buildings providing 50,000 sq ft of exhibition space across three double-height floors. Proposals include a four-storey Piccadilly Circus-style LED screen fronting into the square.

*Falls marginally outside district

JERMYN STREET SPOTLIGHT

Market Momentum

Jermyn Street remains a globally recognised menswear destination, reinforced by recent and future-planned openings. The recent opening of R.M.Williams' flagship along the street, alongside the announcement of M.J. Bale joining in November, shows the continued strength of the area to attract world-class menswear brands.

Q1 Performance

Driven in part by recent openings, spend across Jermyn St saw 3.5% growth YoY, and 11% uplift QoQ. QoQ growth driven by 7% increase in transactions and 3% higher average transaction values, with visit volumes across the street 1% higher.

A considerable driver of this QoQ uplift was strong performance across Clothing & Department Stores, which saw 23% spend growth vs. Q4 2025/26, with 21% uplift in transactions.

The relationship between QoQ spend growth and visit performance reflects greater spend propensity from visitors to the area; while visit volumes remained more consistent, visitors who came to the area were much more likely to spend.

M.J. Bale upcoming opening in late 2026…

Australian menswear brand M.J. Bale has recently announced it will make its UK debut in November with the opening of a flagship store on Jermyn Street. Paul Souber, Head of Colliers One London who are exclusively advising M.J. Bale on its UK and international real estate strategy, commented: "We are delighted to have collaborated with M.J. Bale and secured its first UK site in one of London's **most established** and **iconic menswear destinations.**"

01 SUMMARY

02 ECONOMIC INSIGHTS

03 OFFICES

04 COMMERCIAL

05 HOTELS

06 PLANNING

07 PERFORMANCE

HOL AREA HOTELS OUTPERFORM LONDON MARKET IN Q1

REPORTING PERIOD APRIL – JUNE 2026

Occupancy
82.8%
↑ QoQ

ADR
£215
↑ QoQ

RevPAR
£178
↑ QoQ

The Q1 2026 (Apr – June) hotel market analysis for the HOL area evaluates performance across key indicators including occupancy, ADR, RevPAR, and development activity.

- Comparative to the overall London hotel market, hotels in the HOL area outperformed in terms of occupancy by 0.2 percentage points and ADR by 14%, according to CoStar Q1 data. This relative performance was both volume and price-led, highlighting the pricing premium hotels in the HOL area are able to command compared with the wider London market.
- Despite the HOL area hotel performance metrics outperforming the wider London market on selected indicators in Q1 2026, RevPAR performance presented a more nuanced picture. While the wider London hotel market recorded RevPAR growth of 1% between Q1 2026 and the corresponding period of the previous year, RevPAR in the HOL area declined by 23%. This divergence reflects ongoing rate competition in the market within the HOL area following significant new supply additions in late 2025, which have placed downward pressure on pricing despite continued strong demand.

Source: CoStar

STRONG DEMAND SUPPORTS PERFORMANCE AMID NEW SUPPLY PRESSURES

Number of rooms

Q1	YoY	Vs. CWE
5,007	+46%	21,885
	(3,425)	

The YoY increase in hotel rooms reflects the phased opening of the MOXY Piccadilly Circus (adding a further 51 rooms) and a 11-room expansion at Victory House Leicester Square Hotel.

Occupancy

Q1	YoY	Vs. CWE
82.8%	-3.6pp	+3.9%
	(86.5%)	(79.7%)

Occupancy declined by 3.6 percentage points YoY despite strong underlying demand growth of 39%. However, supply growth outpaced demand growth, placing downward pressure on occupancy. Nevertheless, occupancy remained robust at 82.8%, highlighting the HOL market's resilience and ability to absorb new supply while maintaining strong trading performance.

Average Daily Rate *(ADR)*

Q1	YoY	Vs. CWE
£215	-19%	-34%
	(£267)	(£328)

ADR decreased by 19% YoY to £215, reflecting continued competitive pressure following the significant increase in room supply. Pricing strategies remain focused on sustaining occupancy and capturing demand, resulting in a more value-driven pricing environment and constraining rate growth. Consequently, RevPAR declined by 23% to £178.07.

April recorded the weakest ADR performance of the quarter, with rates down more than 21% compared with the same month last year.

Revenue per Available room *(RevPAR)*

Q1	YoY	Vs. CWE
£178	-23%	-32%
	(£231)	(£261)

HOL area hotels outperformed the core West End in terms of occupancy during Q1, achieving 82.8% versus 79.7%. This was supported by 39% YoY demand growth in the HOL area, compared to 8% across the wider West End.

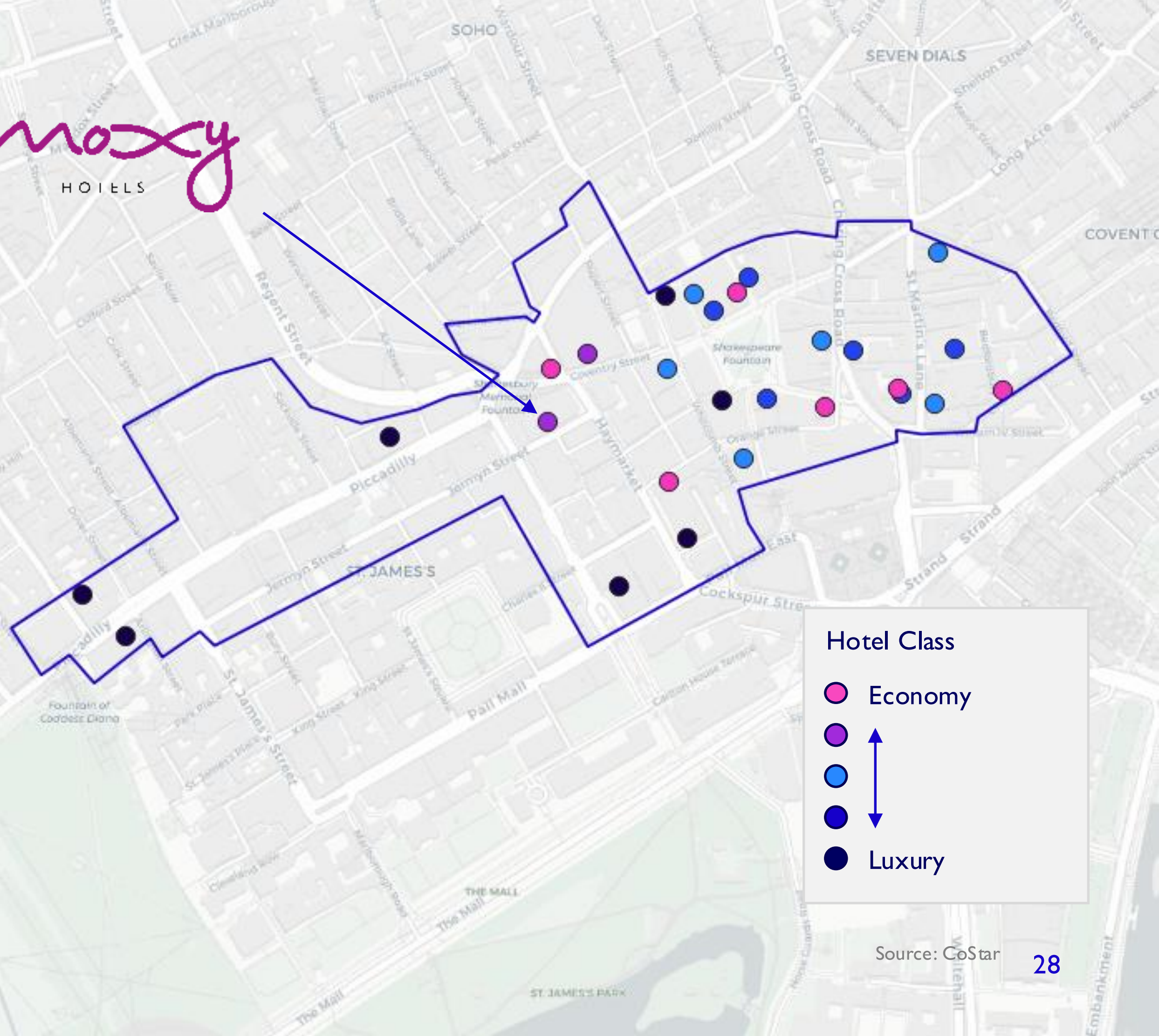
The market continues to skew towards value, with 56.5% of rooms positioned within the economy to upper-midscale segments. ADR falls 34% below the wider West End average, reflecting a less luxury-led mix and ongoing competitive pricing.

Source: Colliers, CoStar
Note: Q1 2026 (Apr-Jun 2026), CWE: Core West End

MOXY AND VICTORY HOUSE OPENED ADDITIONAL ROOMS IN Q1

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%	1,250	25%
Upscale	6	22%	357	7%
Upper Upscale	7	26%	833	17%
Luxury	6	22%	988	20%
Total	**27**	**100%**	**5,007**	**100%**



Source: CoStar


01
SUMMARY
02
ECONOMIC INSIGHTS
03
OFFICES
04
COMMERCIAL
05
HOTELS
06
PLANNING
07
PERFORMANCE

NEW MINUMUM ENERGY EFFICIENCY STANDARDS REQUIREMENT ACROSS ALL COMMERCIAL PROPERTIES OVER 1,000 SQM BY APRIL 2031

REPORTING PERIOD APRIL – JUNE 2026

New MEES Regulation update by Callum Jeffreys (Retail Lease Advisory Director at Colliers)

New Minimum Energy Efficiency Standards (MEES) regulations required across all commercial properties

As of 1st April 2031, building owners will be unable to lawfully continue to let commercial properties of over 1,000 sqm (10,764 sqft) with an EPC rating below B, which is a significant increase from the current minimum EPC E. This deadline is not dependent on there being a change in tenancy (e.g. a new letting / lease renewal), and rather it is an immediate requirement at that date. Although lighting and M&E equipment in large retail stores is invariably the tenant's responsibility, the minimum energy efficiency standards (MEES) obligation falls on the building owners to conduct improvements to the equipment over which they have no control. However, with major retailers having their own published net zero commitments, as do most large institutions / property companies, the interests of retailers and their landlords are therefore aligned in seeking MEES targets / operational efficiency.

Exemptions to the new MEES include seven-year payback rule and third-party consent refusal

There are valid exemptions to the new rules, in particular: (1) seven-year payback rule – where the cost of the works exceeds the saving in the retailer's energy bill over a seven-year period, and (2) third-party consent refusal – where a tenant is unwilling to grant consent to major works due to disruption. However, such exemptions must be clearly documented. Where exemptions are not available, non-compliance can result in fines linked to the rateable value (up to £150,000 per property). To mitigate these risks, and with the reliability of EPC reports varying considerably, the "easiest win" is to obtain comprehensive records of the running of the store / types of equipment, to avoid a default to "worst case" in the EPC report.

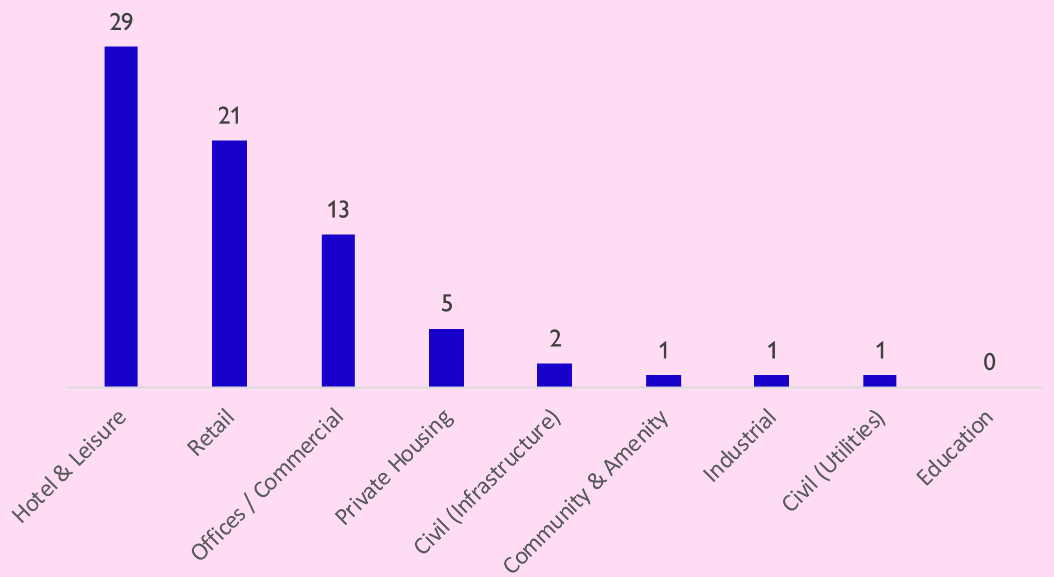
MEES regulations are increasingly becoming a key consideration in investment decision making

With the above direction of travel, investors, lenders and valuers are starting to treat EPC B as a future liquidity issue. MEES risk is an increasing consideration in investment decision making for all commercial property, and we are seeing potential yield differentiation between EPC A-B and EPC C-E stock. Regears provide an ideal opportunity for the building owner and the retailer to work together to explore how improvements to EPC B can be achieved in a timely fashion, and on commercial terms that benefit both parties.

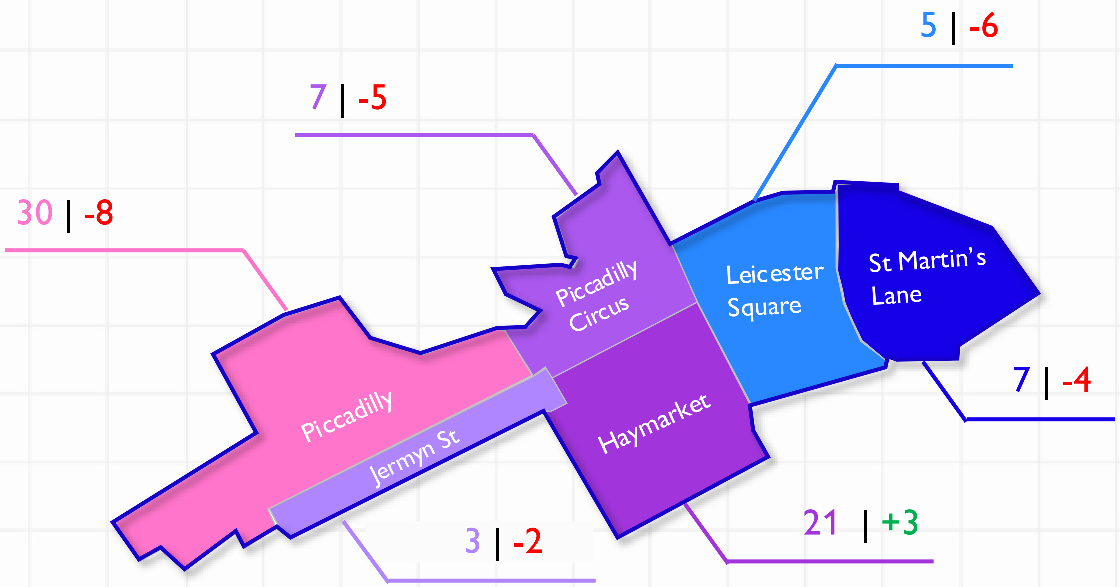
PLANNING APPLICATIONS CONTINUE TO BE DOMINATED BY HOTEL & LEISURE CATEGORY

The HOL area recorded 73 live planning applications during the quarter; a reduction of 22 applications compared to Q4 2025. Despite the decline, activity remains concentrated within the core commercial districts, particularly Piccadilly (30 applications) and Haymarket (21 applications), which continue to account for the largest share of planning activity, with Haymarket District also being the only district experiencing a QoQ increase in live applications.

Planning Applications by Primary Sector | HOL Area



Live Planning Applications | QoQ change



73 | -22 HOL area total

CURRENT APPLICATIONS BY DISTRICT

Planning activity remains concentrated in Piccadilly and Haymarket

- Piccadilly district is the most active location, with 30 live applications, led by Hotel & Leisure (12 applications), Retail (10 applications) and Offices & Commercial (5 applications), demonstrating broad-based investment across multiple sectors.
- Haymarket district records 21 live applications, with more than half relating to Hotel & Leisure uses (11 applications), reinforcing the district's position as a key hospitality and entertainment destination.

District specialisms remain evident

- Leicester Square district's pipeline is entirely focused on visitor-facing uses, with all five live applications relating to Hotel & Leisure and Retail activities.
- Piccadilly Circus and St Martin's Lane districts each record seven live applications, with an identical mix of Hotel & Leisure, Retail, Offices & Commercial and Private Housing schemes, indicating a balanced pattern of investment across these locations.

HOL District	Civil	Community & Amenity	Education	Hotel & Leisure	Industrial	Offices & Commercial	Private Housing	Retail
Piccadilly Circus District	-	-	-	2	-	2	1	2
St Martin's Lane District	-	-	-	2	-	2	1	2
Piccadilly District	1	-	-	12	-	5	2	10
Haymarket District	2	1	-	11	1	1	1	4
Leicester Sq District	-	-	-	2	-	-	-	3
Jermyn St District	-	-	-	-	-	3	-	-
HOL Area	**3**	**1**	**-**	**29**	**1**	**13**	**5**	**21**

Source: Glenigan

NOTABLE NEW / UPDATED PLANNING APPLICATIONS

19 Wardour Street

Piccadilly Circus District

Heading: Restaurant

Planning Stage: Detailed Plans Submitted

Contract Stage: Pre-Tender

Decision: Pending

Application Date: 03/06/26

For over 20 years, the second and third floors have functioned solely as ancillary restaurant storage. This application proposes to convert these upper floors into additional restaurant seating area.

Works completed

1 Jermyn Street

Jermyn Street District

Heading: Hotel

Planning Stage: Detail Plans Granted

Contract Stage: Complete On Site

Decision: Granted

Application Date: 04/01/22

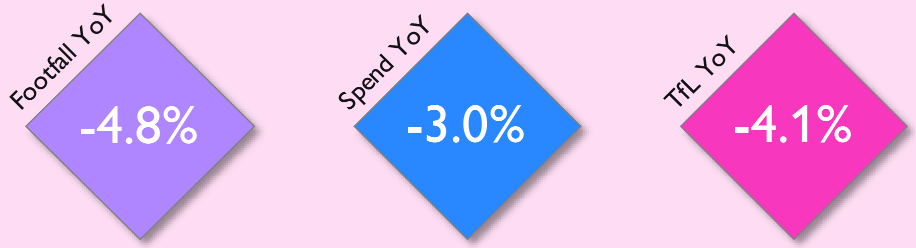
Scheme comprises use of part ground and first to eighth floors as an hotel (excluding any hotel guest or public drinking/dining facilities) with associated cycle storage at fourth basement level (class C1).

Source: Glenigan, CoStar

SPEND MORE RESILIENT VS VISITS IN Q1 2026

REPORTING PERIOD APRIL – JUNE 2026

HOL Area



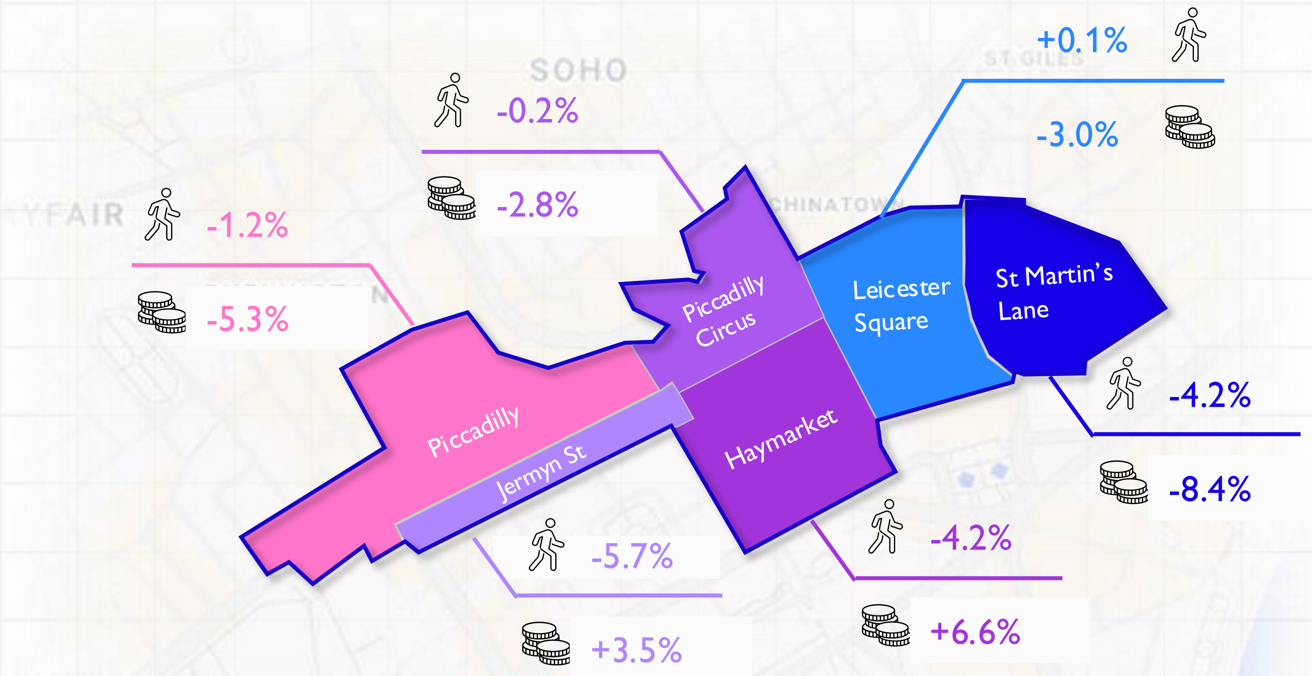
Visit volumes (-4.8%) saw decline throughout Q1, with various travel disruptions, severe heatwaves across June, and continued macro-economic headwinds influencing visitor behaviours. TfL station usage across the district reflects similar levels of decline, down -4.1% YoY.

Despite overall visit decline across the HOL area, Leicester Square (+0.1%) was the most resilient district across the quarter.

Despite seeing -3.0% decline, spend performance across the HOL area was more resilient than visit volumes, reflecting increased spend propensity and average transaction values (+2.3%).

However, macro-economic headwinds continue to impact spend behaviour across the district, with GfK consumer confidence index reaching its lowest levels in over two years during the quarter; the impact from Middle East conflict at the end of the previous quarter starting to filter through to consumers' budgets.

Year-on-Year Performance | Q1 (Apr 26 – Jun 26)



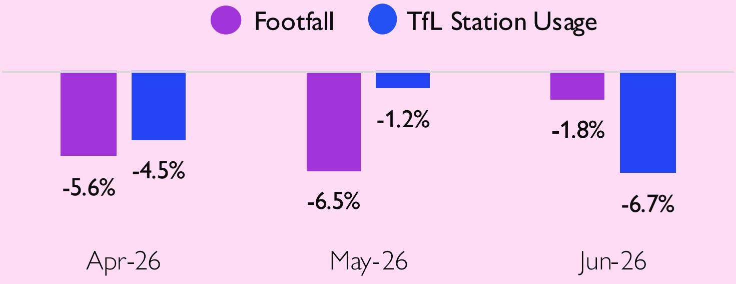
Source: HUQ & Colliers' analysis, informed by aggregated & anonymised Lloyds Banking Group data | GfK Consumer Confidence Index | Eastern Districts include St Martin's Lane, Leicester Square, Haymarket.
Note: insights are limited to Lloyds Banking Group's retail market share of personal current accounts and credit cards, with multipliers added to reflect real-world total spend performance

SIMILAR LEVELS OF DECLINE ACROSS STATION USAGE IN Q1 (-4.1%) AS HOL AREA VISIT VOLUMES (-4.8%)

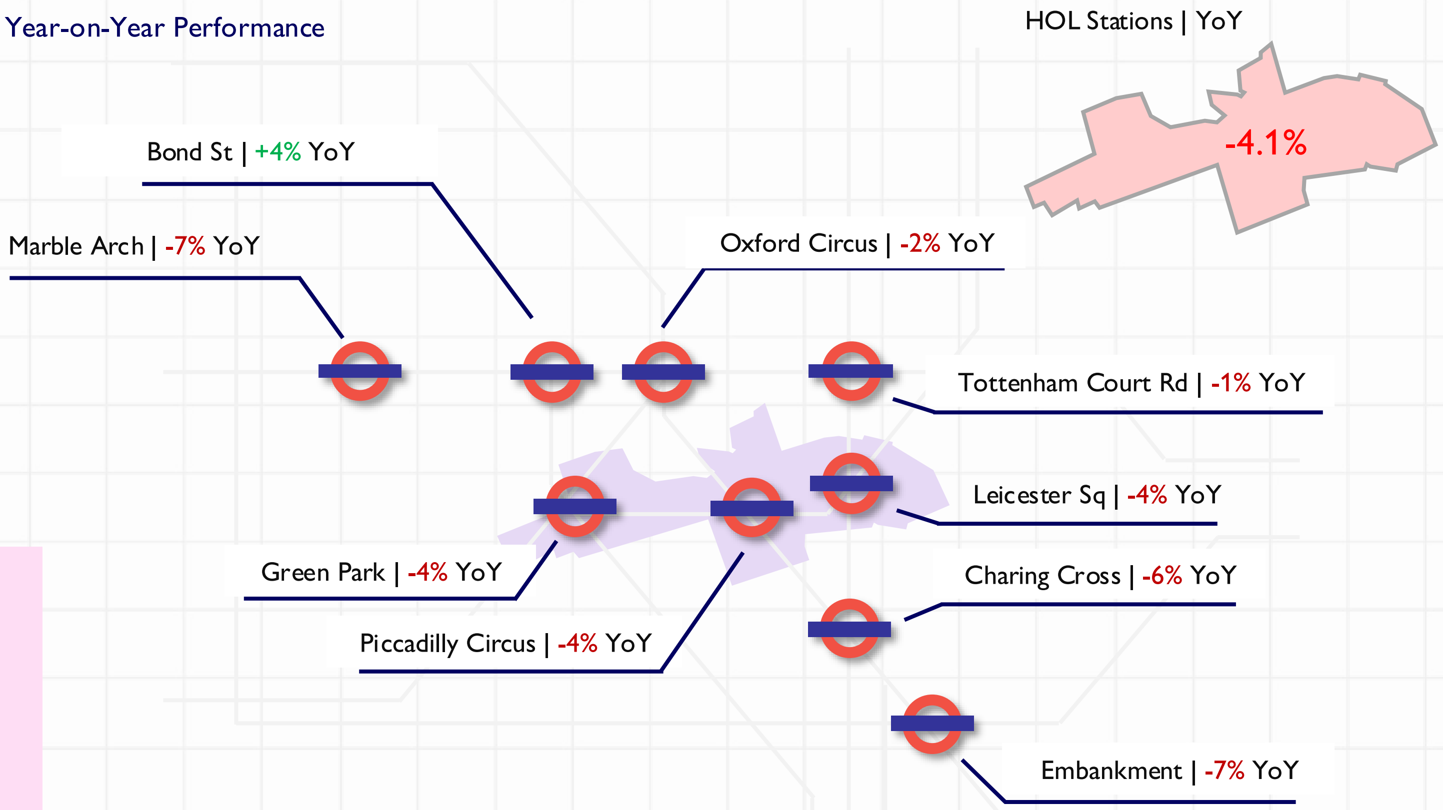
YoY performance in TfL station usage across the HOL area (Green Park, Piccadilly Circus & Leicester Square) reflects wider area visit volume trends, seeing -4.1% decline in Q1, with 19.6m total passenger journeys. Performance across station usage also broadly reflected wider HOL area visit trends at a monthly level, with decline across all three months. However, the rate of decline exceeded visit volume trends in June, with TfL strikes at the start of the month (-40%) and disruptions during heatwave (-3%) impacting passenger journeys vs. average June usage behaviours.

Consistent performance across all three HOL area stations, each seeing -4% YoY decline across Q1, reflecting wider behavioural change rather than isolated incidents at specific stations.

HOL Area Visits vs HOL Area TFL Station Usage



Year-on-Year Performance



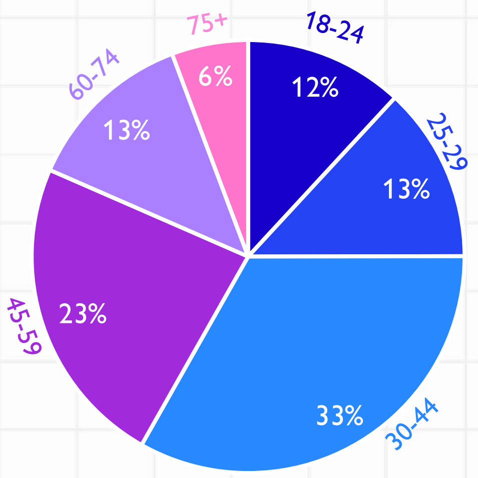
[1] Stations within HOL area: Leicester Square, Piccadilly Circus, Green Park
Source: Transport for London

SHARE OF INTERNATIONAL VISITS SAW STRONG GROWTH (+4%) YEAR-ON-YEAR

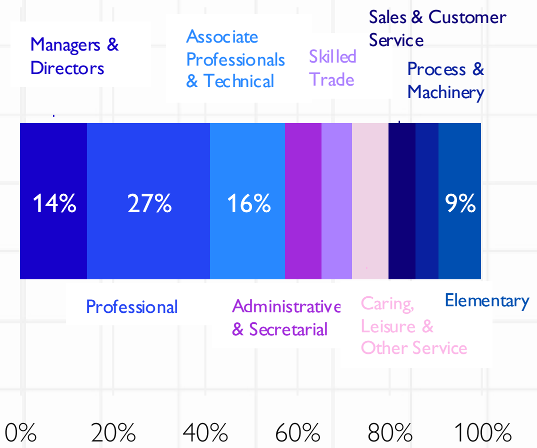
Strong uplift in share of international visitors (+4% YoY), accounting for 13.2% of total visits across the HOL area in Q1. Share of international visitors peaked in June (13.6%), which also saw +4% YoY growth. Tourist-focussed districts captured a much higher share of international visitation throughout the quarter; Piccadilly Circus (18%) and Leicester Square (16%) captured the highest share, and twice as high as wider Core West End benchmark, continuing to demonstrate the area's status as a major global destination.

Domestically, the HOL area's visitor profile broadly reflects the wider Core West End profile, slightly biased towards a professional, high-affluent demographic. 29% of visitors to the HOL area in Q1 were in the highest social grade (AB), which is in-line with the wider Core West End profile. There is also a high share of visitors to the area within Managerial, Director & Professional roles (41%), supporting the continued strong office take-up from banking and financial services (71% of Q1 take-up).

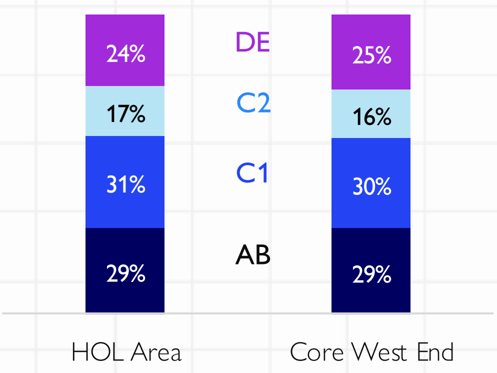
Age



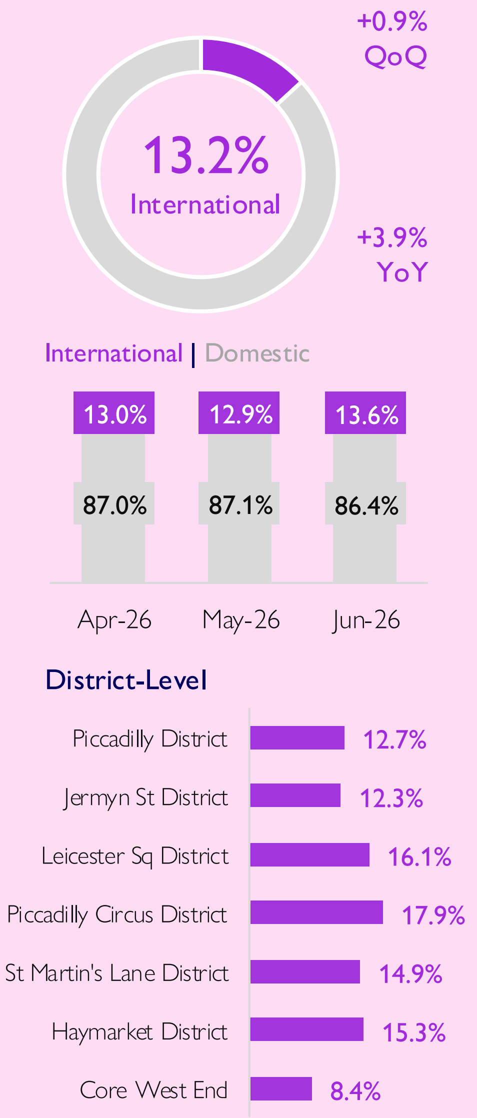
Occupation



Social Grade



International vs. Domestic HOL Area



54% OF VISITORS WITHIN SUCCESSFUL CITY FAMILIES & HIGH-FLYING METROPOLITANS. BIASED TOWARDS AN AFFLUENT DEMOGRAPHIC

Q1 2026 Top 4 MOSAIC Groups

Lavish Lifestyles

High wealth residents, with generous incomes

10.5%

24.2%

Successful City Families

Families with comfortable incomes living in good quality urban houses within big city suburbs.

29.9%

High-flying Metropolitans

Career-focused young households rewarded with good salaries, living in desirable city apartments.

12.6%

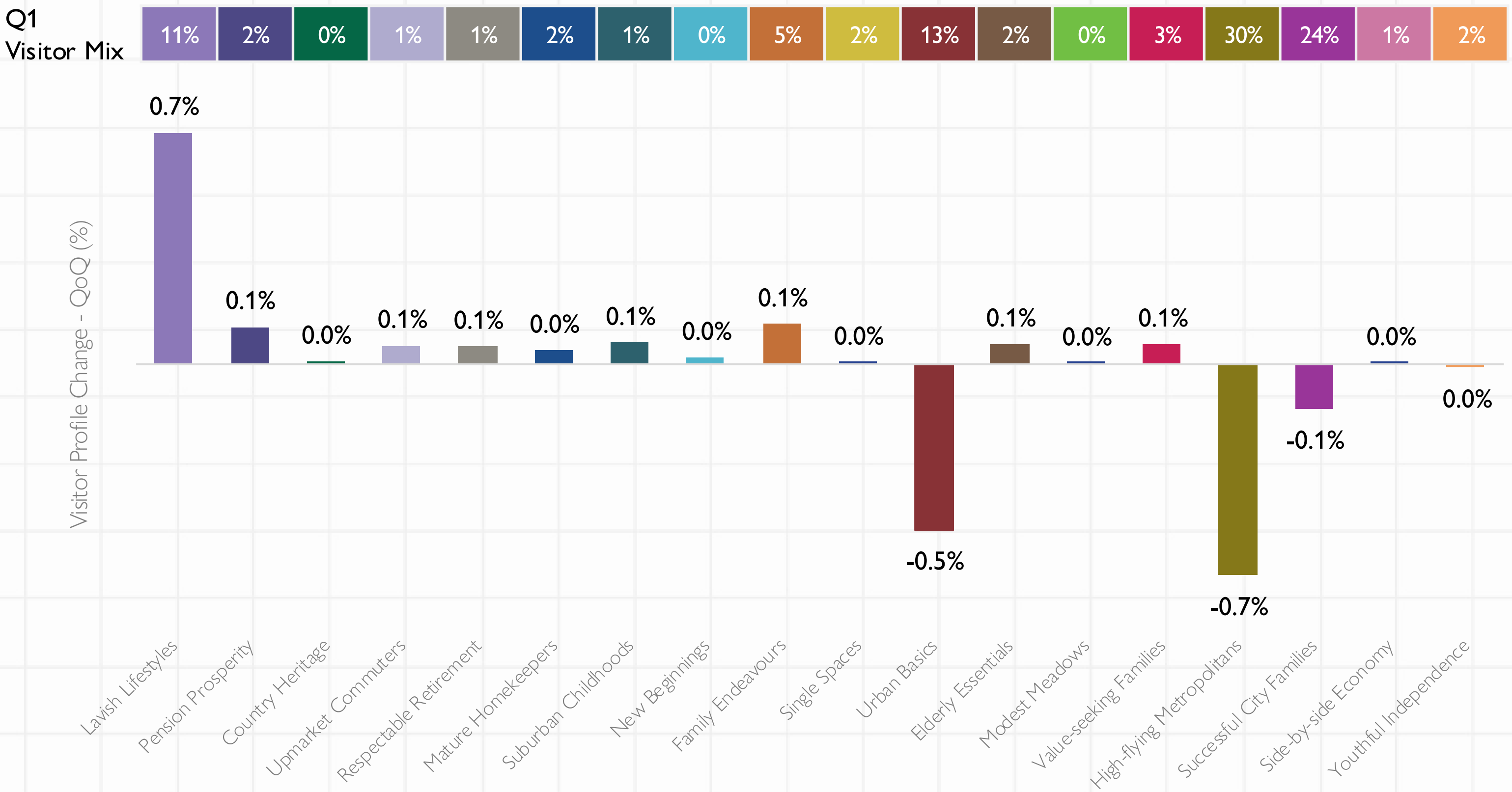
Urban Basics

Tenants with minimal cash to spare, living in small social flats or houses within urban locations.

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 strong bias centred around 4 dominant MOSAIC groups, representing a high-income, city-focussed visitor.

QoQ Change in MOSAIC Segmentation | HOL Area



Source: Experian MOSAIC 8 | Detailed descriptions of all groups in appendix

SPEND ACROSS Q1 DOWN 3% YEAR-ON-YEAR

HOL Area

Spend YoY
-3%

Txn vols YoY
-5%

ATV YoY
+2%

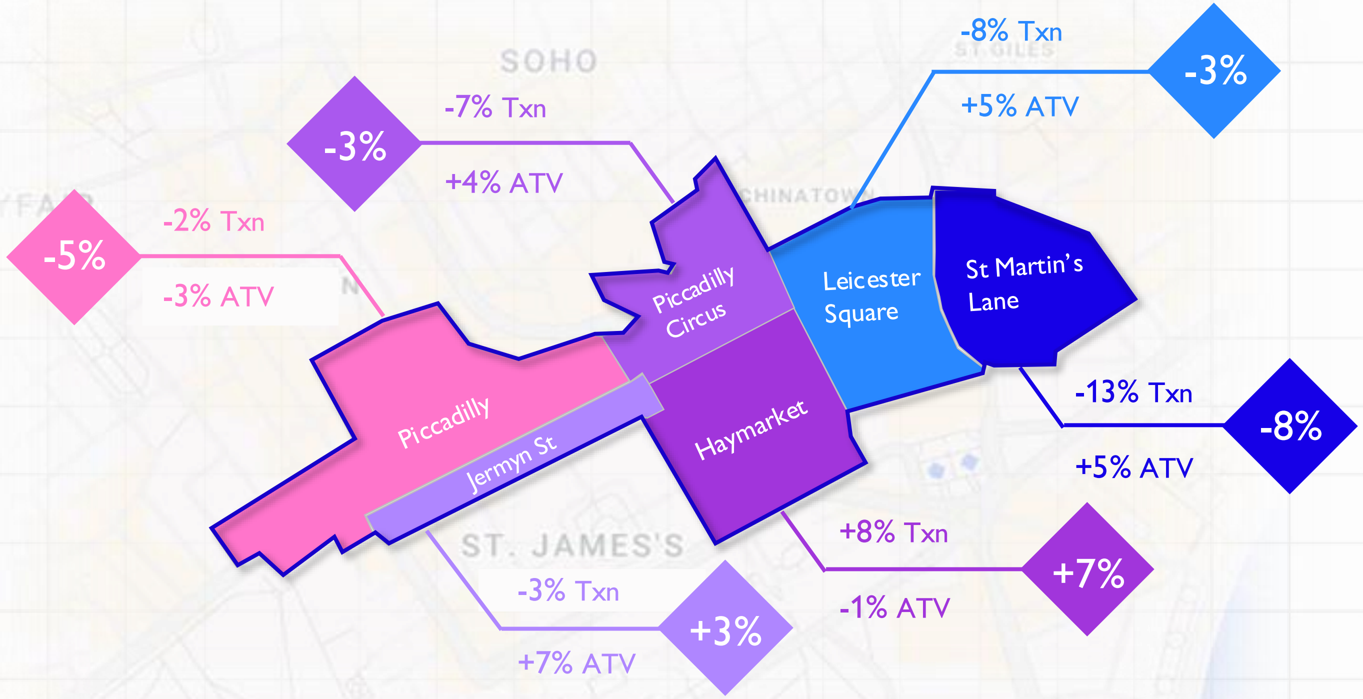
Despite overall decline in spend performance across the HOL area in Q1 (-3% YoY), performance was slightly more resilient than wider visitor volumes (-5%).

This spend performance was driven by reduced transaction volumes (-5%), which is in-line with visitor volume trends, while average transaction values saw 2% uplift.

Spend saw a greater rate of decline in June (-4%), vs. April (-2%) and May (-3%), with travel disruptions and heatwaves adding further obstacles to consumer behaviour, which continue to be impacted by increased cost-of-living pressures.

However, spend performance differed between visitor segments, reflecting varied impact from these cost pressures. Lower-income groups, earning less than £20k, saw 2.0% spend decline YoY across the quarter, while higher-income visitors (>£100k) saw 1.4% spend growth.

Year-on-Year Spend performance



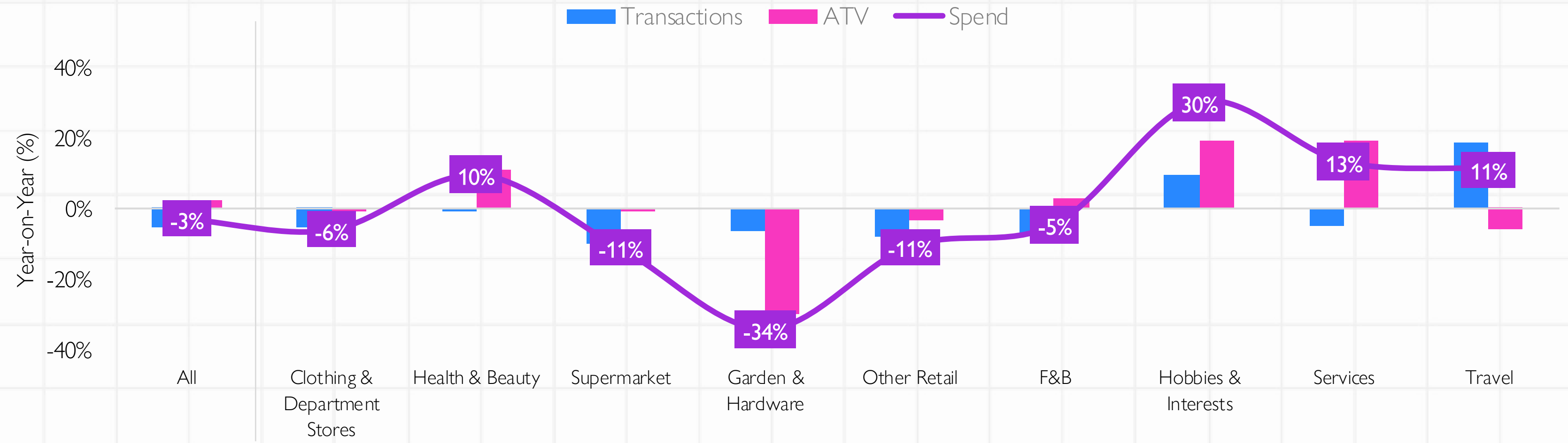
Source: Colliers' analysis, informed by aggregated & anonymised Lloyds Banking Group data | TXN = Transaction Volumes | ATV = Average Transaction Values
Note: insights are limited to Lloyds Banking Group's retail market share of personal current accounts and credit cards, with multipliers added to reflect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

STRONG PERFORMANCE ACROSS HOBBIES & INTERESTS IN Q1

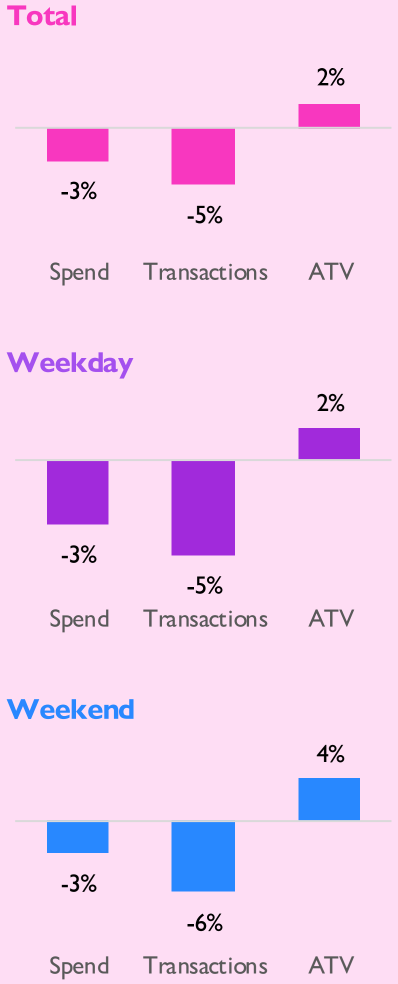
Varied spend performance between categories across Q1 2026, with strong performance across Hobbies & Interests sector (+30% YoY), driven by increases in theatre / in-venue spend. This growth perhaps reflecting more targeted experiential spend across the HOL area amid the wider economic environment, with visitors condensing leisure spend for more infrequent, but larger trips. Across the retail market, Health & Beauty continues to see strong performance (+10% YoY), continuing the trend of being the only retail category to see growth, as in Q4 2025.

Spend trends between weekdays & weekends across the quarter were largely consistent, both seeing 3% decline. However, weekend performance saw slightly higher ATV increase (+4%) and larger transaction volume decline (-6%).

Year-on-Year Category Spend Performance
HOL Area



Year-on-Year Spend (%)
HOL Area



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

APPENDIX

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)

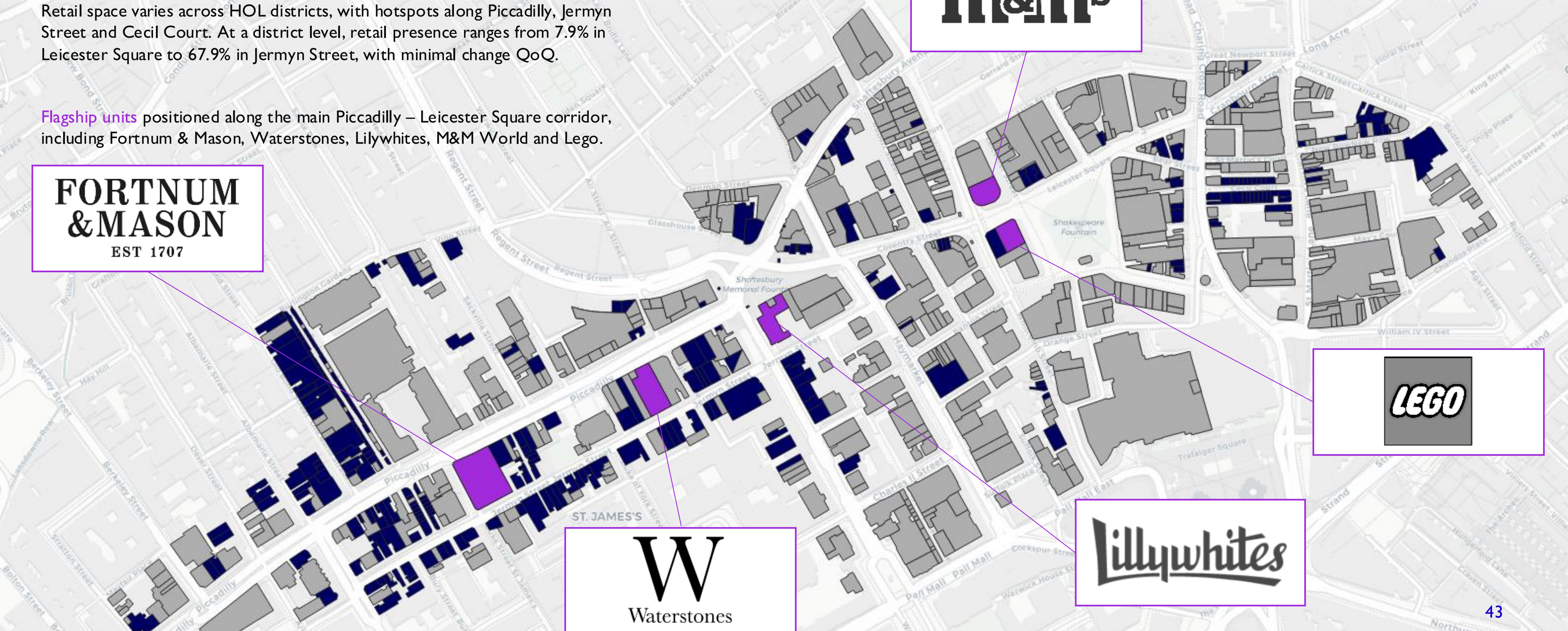
1. Trocadero Centre – 150k sq ft
2. 29-30 Leicester Square – 9k sq ft
3. 37-43 Sackville Street – 8k sq ft

Source: Colliers

RETAIL OFFER PREDOMINANTLY CLUSTERED TO WESTERN SIDE OF BID AREA

Retail space varies across HOL districts, with hotspots along Piccadilly, Jermyn Street and Cecil Court. At a district level, retail presence ranges from 7.9% in Leicester Square to 67.9% in Jermyn Street, with minimal change QoQ.

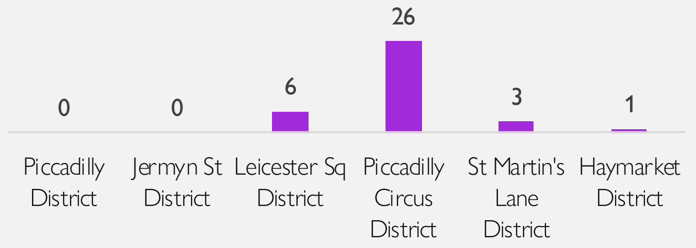
Flagship units positioned along the main Piccadilly – Leicester Square corridor, including Fortnum & Mason, Waterstones, Lillywhites, M&M World and Lego.



Source: Colliers

‘LOW QUALITY’ RETAIL REMAINS CENTRED AROUND PICCADILLY CIRCUS DISTRICT – ACCOUNTING FOR 18% OF ALL UNITS THERE

Low Quality Retailers | HOL Districts



Source: Colliers

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 Apr-25 to Jun-26 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: MOSAIC 8 GROUP DESCRIPTIONS

Code	MOSAIC Group	Description	Age Index vs. UK Pop.	Income Index vs. UK Pop.
A	Lavish Lifestyles	High-wealth residents of city and country, with generous incomes, substantial assets and the most expensive homes	108	277
B	Pension Prosperity	Financially-set older homeowners in desirable suburbs and villages, who now have space and resources	137	107
C	Country Heritage	Well-off owners of comfortable properties in rural locations with land or surrounding gardens	111	128
D	Upmarket Commuters	High-income families in quality, modern-era homes located in desirable, low-density neighbourhoods	90	159
E	Respectable Retirement	Senior outright-owners of mid-range homes, with sufficient pension incomes to provide for their later years	144	59
F	Mature Homekeepers	Homeowners in their later working life, who live in conventional family housing on streets offering value for money	101	75
G	Suburban Childhoods	Double-income families raising their children in average-value suburban homes with mortgages	83	115
H	New Beginnings	Young households with good salaries who have bought recently built homes, often on the outskirts of communities	77	130
I	Family Endeavours	Families with young or adult children, who have low budgets and typically rent from social landlords	85	50
J	Single Spaces	Working individuals usually living alone in one or two bed apartments	91	78
K	Urban Basics	Tenants with minimal cash to spare, living in small social flats or houses within urban locations	99	44
L	Elderly Essentials	Pensioners with low retirement incomes living in modest-sized homes	143	38
M	Modest Meadows	Rural residents in low-cost houses situated in country locations further from transport links	109	75
N	Value-seeking Families	Young couples and families with pre-school or school-age children, looking for affordability in small homes	78	94
O	High-flying Metropolitans	Career-focused young households rewarded with good salaries, living in desirable city apartments	79	161
P	Successful City Families	Families with comfortable incomes living in good quality urban houses within big city suburbs	90	126
Q	Side-by-side Economy	Households with limited disposable income, who own or rent old-style, high-density terraces from private landlords	85	68
R	Youthful Independence	Young earners and students enjoying independent living in compact, privately rented city accommodation	64	103

Source: Experian MOSAIC 8

COLLIERS X LLOYDS BANKING GROUP AGGREGATED & ANONYMISED INSIGHTS

Colliers are working with Lloyds Banking Group, combining their high-quality aggregated and anonymised consumer spending data with our extensive experience in strategic performance monitoring across Central London retail, leisure & mixed-use assets.

Colliers' analysis, partly informed by Lloyds Banking Group aggregated and anonymised data, has provided greater insight into spend performance across the HOL area, including but not limited to Spend / Transaction / ATV trends, category-level performance, and time of day/day of week spend performance.

Analysis covers performance across Apr-25 to Jun-26, and is limited to the information that Lloyds Banking Group aggregated and anonymised insights had in its possession at the time when the report was generated.

Insights are limited to Lloyds Banking Group's retail market share of personal current accounts & credit cards. Multipliers have been applied to reflect real-world total spend performance.

Lloyds Banking Group

28m

UK customers

8bn+

Transactions process yearly

Lloyds Banking Group Disclaimer

A. Any insights derived from Lloyds data are not for use in advertising or promotional materials, press release, tender, proposal, speech, article, or other similar material without the prior written consent of the Bank.

B. While all reasonable care has been taken in the preparation of the Lloyds data included in these insights, the Bank does not warrant their accuracy, completeness, or suitability for all use cases, and is not liable for any business decision made using these Insights.

C. Industries are calculated from Lloyds internal transaction classification system

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

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