

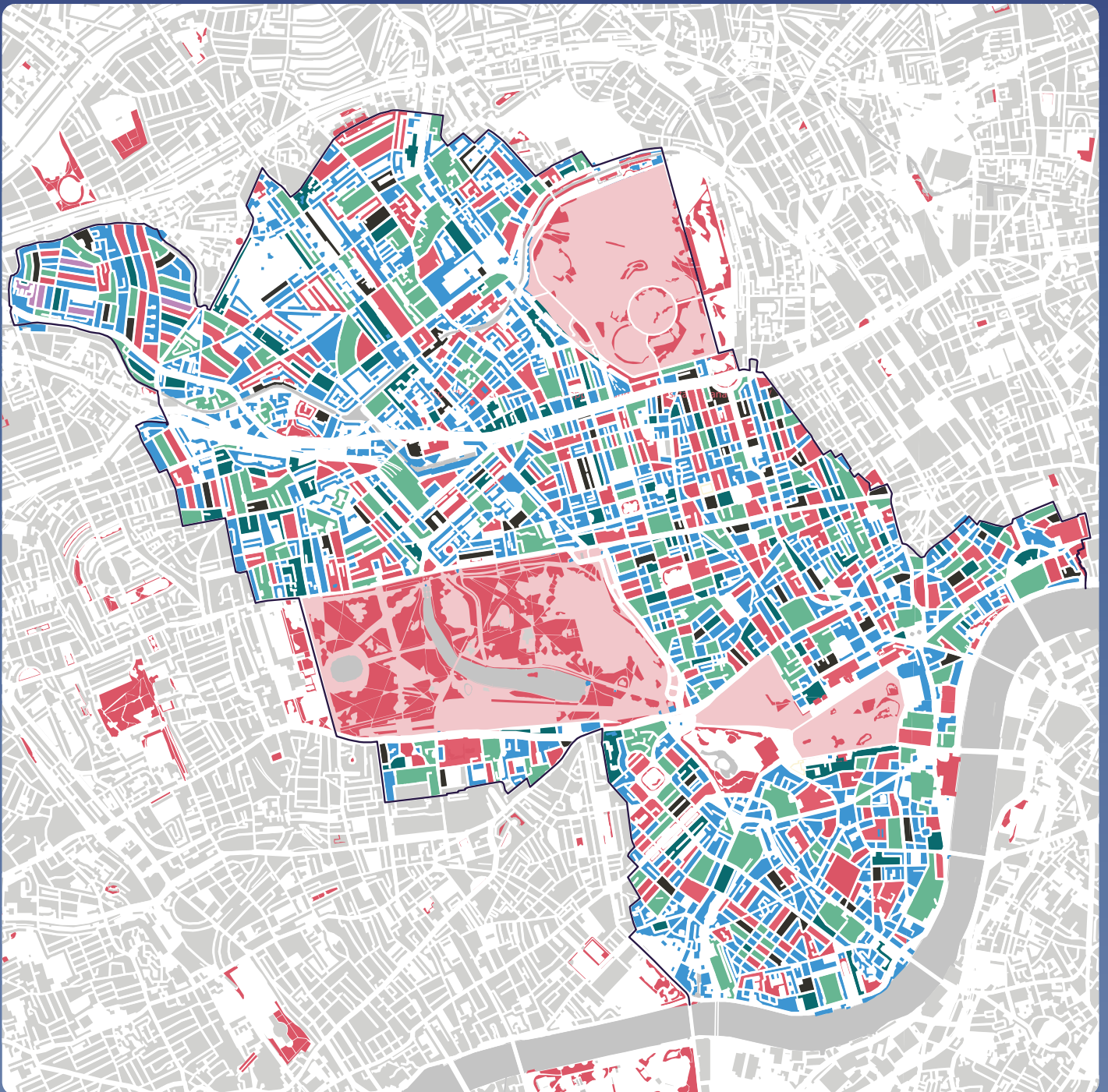
# Space for Change

## Office Space Dynamics in Central London

Westminster Deep Dive

London Property Alliance

**WPA** | **CPA**  
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**About Westminster Property Association**

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

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Authored by:



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# Executive summary

Westminster's Central Activities Zone (the Westminster CAZ) is a compact but economically powerful area, contributing around 14% of London's GVA and 13% of the capital's jobs, whilst occupying less than 1% of Greater London's land. It brings together government, corporate, creative and retail functions, with offices acting as the engine room of its economy, where talent, services and capital come together.

The Westminster CAZ is exceptionally well connected, with mainline stations at Victoria, Marylebone, Paddington and Charing Cross, alongside the Elizabeth line and a dense network of London Underground lines, allowing occupiers to draw from a wide and skilled labour pool.

However, central London's office engine is running below capacity just when the capital needs it most. Between 2018 and 2023, the CAZ lost around 14 million sq ft, with Westminster accounting for more than 7 million sq ft of this reduction. This comes alongside a constrained development pipeline as, although Westminster remains one of the busiest planning authorities in the country, it has seen the largest relative fall in total application numbers. In particular, applications for major schemes fell around 75% between 2013-2024 and planning activity now centres on minor applications which have a limited impact on future growth perspectives.

Oxford Street sits at the heart of the Westminster CAZ and plays a vital role in shaping the character and success of the West End, not just because of its retail function, but as the heart of the West End's office market, accommodating tens of thousands of high-skilled workers who drive Westminster and London's wider economy.

Designated as a Mayoral Development Area (MDA) in July 2025, Oxford Street will be governed by a new Mayoral Development Corporation (MDC) from 1 January 2026. The MDA extends the full length of Oxford Street, from one block east of Tottenham Court Road to Marble Arch, incorporating selected surrounding streets, with the working boundary agreed as one block either side of the street.



**The significant volume of ageing office stock is a threat to future supply unless the barriers to upgrading it to the high-quality, sustainable workspace businesses need are addressed. Forward-looking planning policies could unlock economic growth and the benefits that come with it. If London is to remain a magnet for global enterprise, we must use every lever available to support that ambition."**

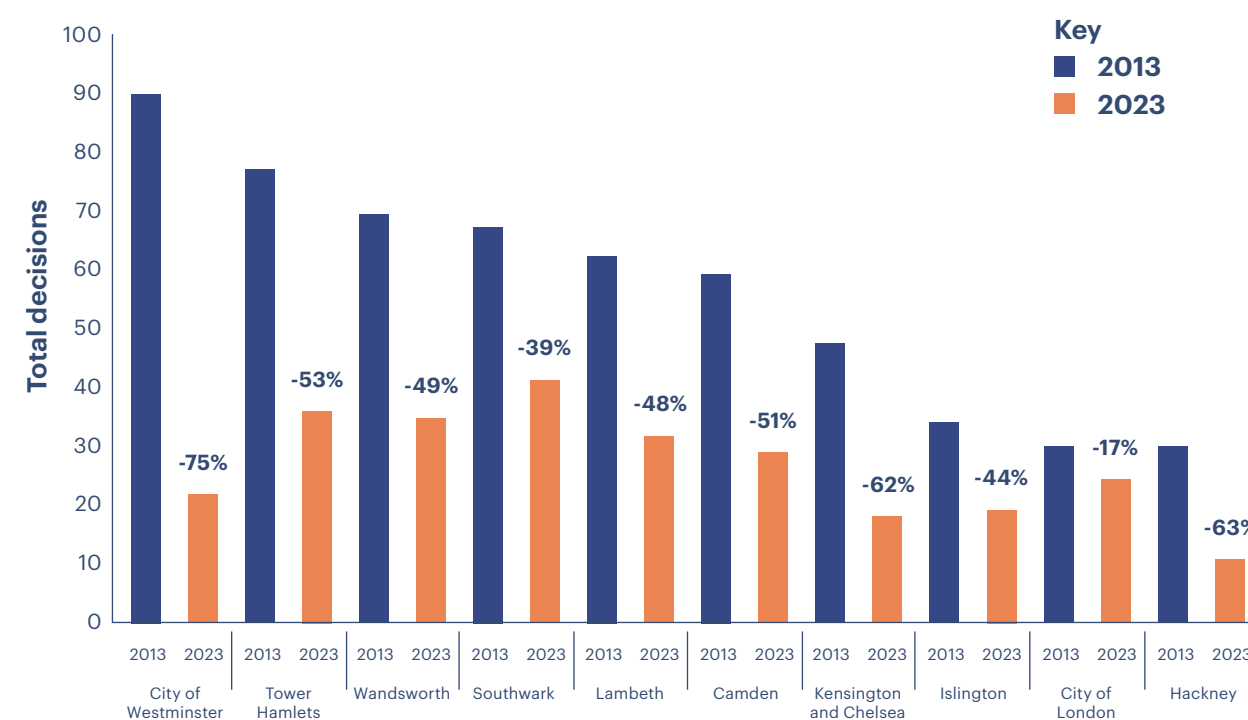
– James Raynor, Chair of WPA & CEO of Grosvenor Property

## Westminster CAZ area - Greater London Authority



## Major planning applications (>1,000 sqm) decided in CAZ+ boroughs and 2013-2023 percentage change

MHCLG Planning Application Statistics, City of London Corporation for City of London data points



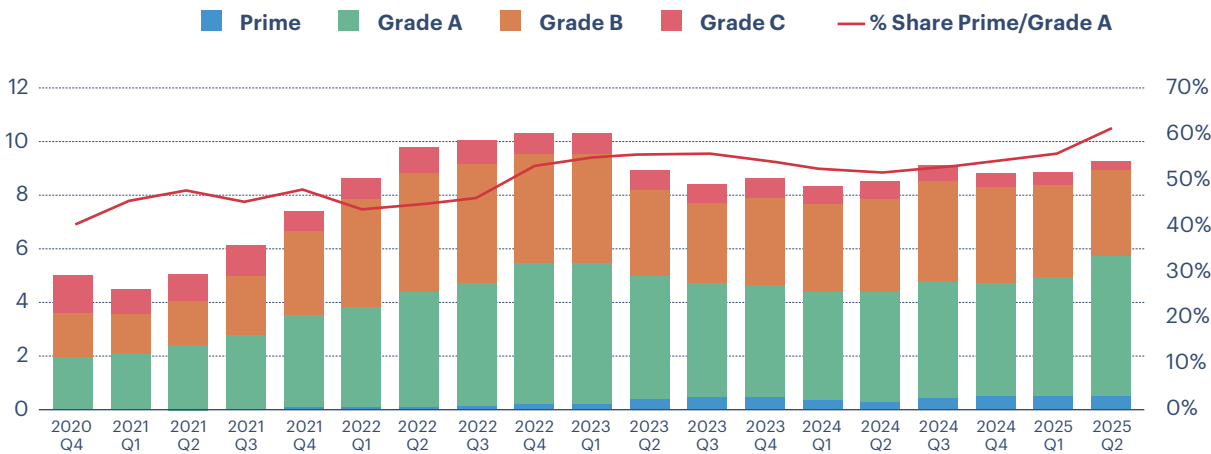


Office take-up has shifted up the quality ladder in Westminster, as well as central London, with Prime and Grade A space in short supply and large single floorplates scarce – there are just four floorplates over 40,000 sq ft in Westminster. Vacancy for Prime space in Westminster is around 0.8% and for Grade A around 1.3%. Bond Street’s two Elizabeth line entrances have strengthened demand for high-quality floors nearby, whilst faster travel from Heathrow and the Thames Valley has lifted the appeal of Paddington. Upgraded space near stations and principal streets let fastest.

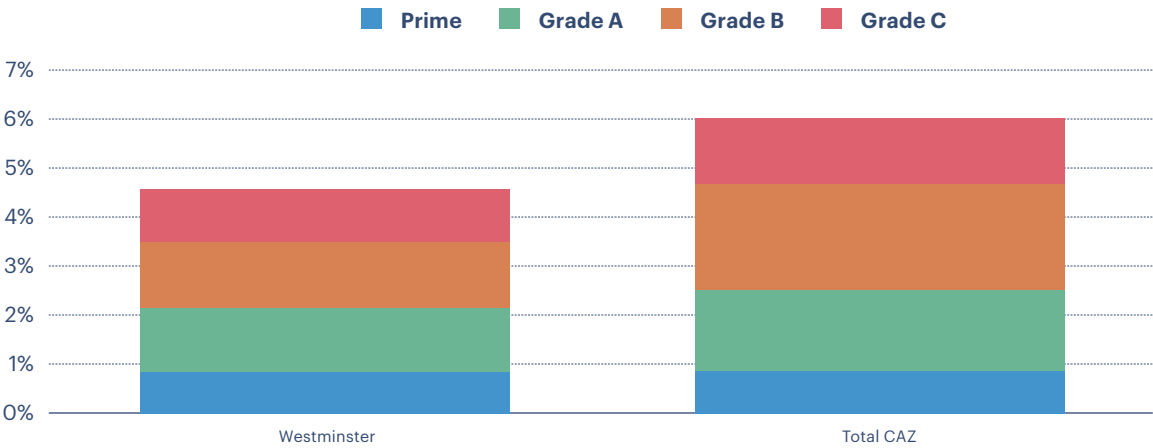
However, the Westminster CAZ is also home to a large pool of secondary office stock – older, second-hand assets typically with poorer energy performance, falling in Energy Performance Certificate (EPC) bands C-G. Over 43 million sq ft - 62% of office stock in the Westminster CAZ - can be classified as secondary.

There is a growing need to upgrade these buildings; doing so could give the local and London economy a major economic boost. By today’s benchmarks, this EPC C-G pool represents almost £119 billion of capital value and over £3.7 billion a year of prime rent potential if upgraded.

**Westminster (CAZ) - Quarterly take-up by quality**  
m sq ft (LHS), % of take-up (RHS). Source: Knight Frank Insight



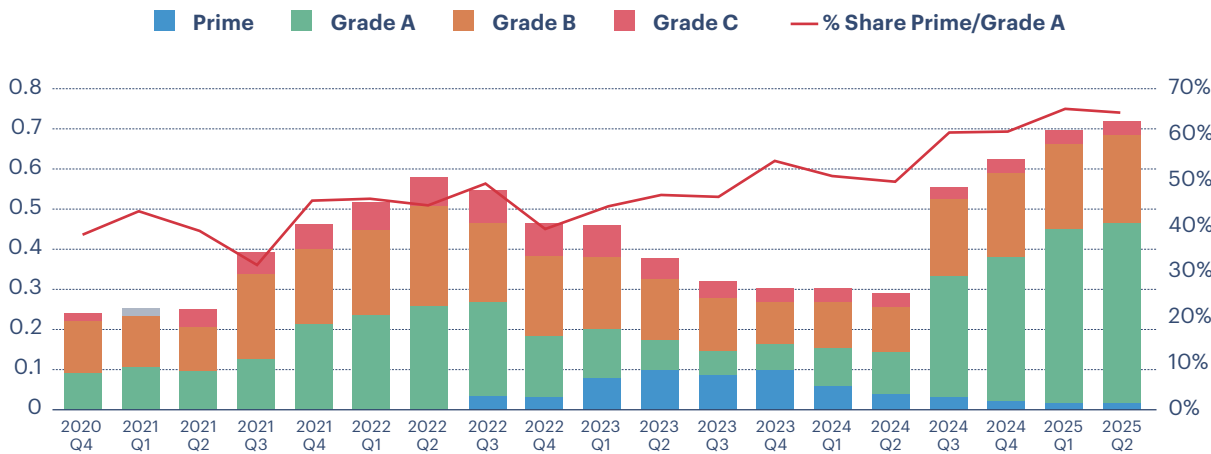
**Westminster (CAZ) - Vacancy rates by quality**  
% of stock, Q2 2025. Source: Knight Frank Insight



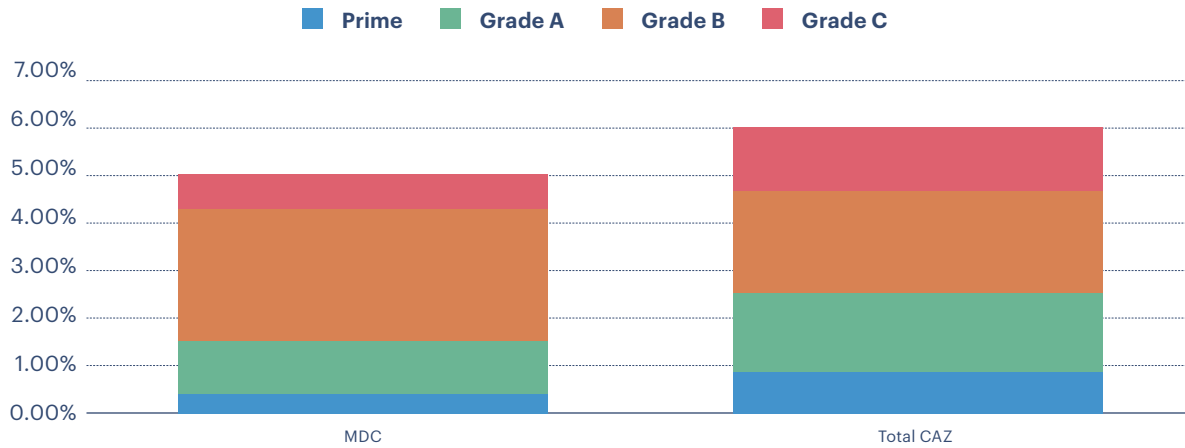
In practice, this means focusing on deep refurbishments in the Oxford Circus and Bond Street core, delivering fitted and CAT A+ floors on Tottenham Court Road, and maintaining a steady programme of smaller, well-targeted upgrades in Marylebone and the Paddington fringe.

**Better buildings next to strong transport connections let first and retain value. In Westminster, prioritising refurbishment, redevelopment and carefully targeted change of use provides the clearest route to reduce EPC obsolescence, restoring mid-market choice and maintaining the CAZ’s role as London’s front-of-house for global business.**

**Oxford Street (MDA) - Quarterly take-up by quality**  
m sq ft (LHS), % of take-up (RHS). Source: Knight Frank Insight



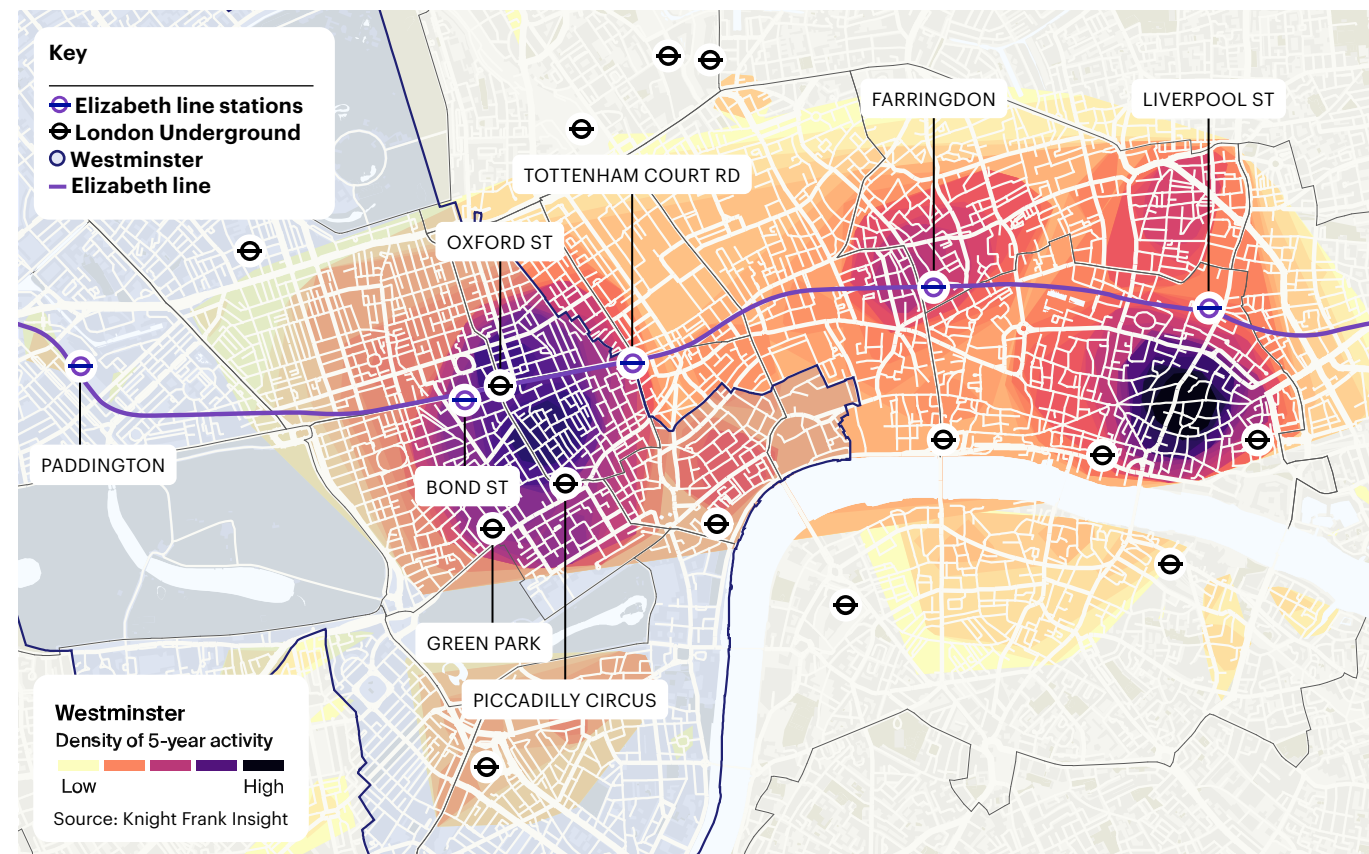
**Oxford Street (MDA) - Vacancy rates by quality**  
% of stock. Source: Knight Frank Insight



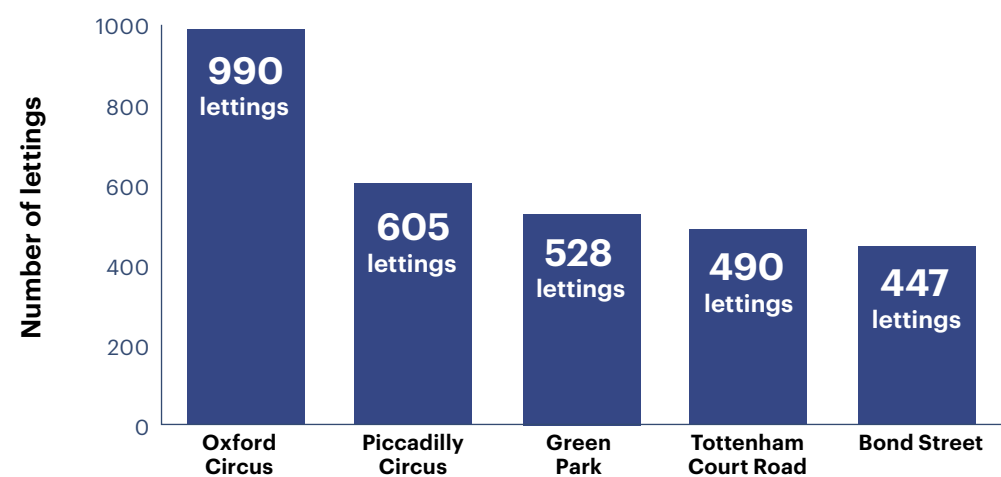
# Part 1: Westminster

This map shows the location of the 3,580 office lettings that have taken place in the Westminster CAZ since 2020.

Figure 1: Heatmap of lettings activity in Westminster

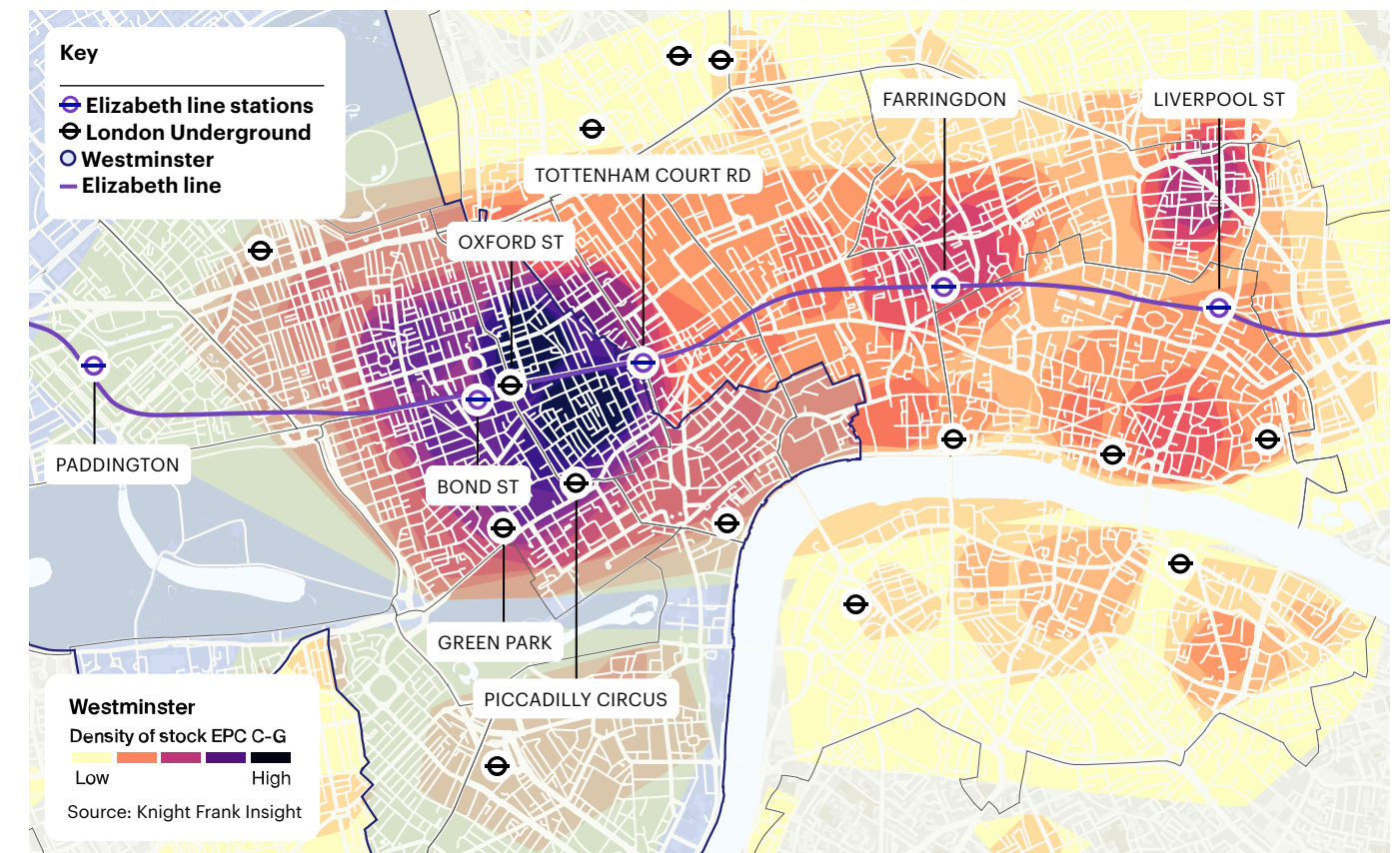


The station catchments witnessing the most lettings within 500m:

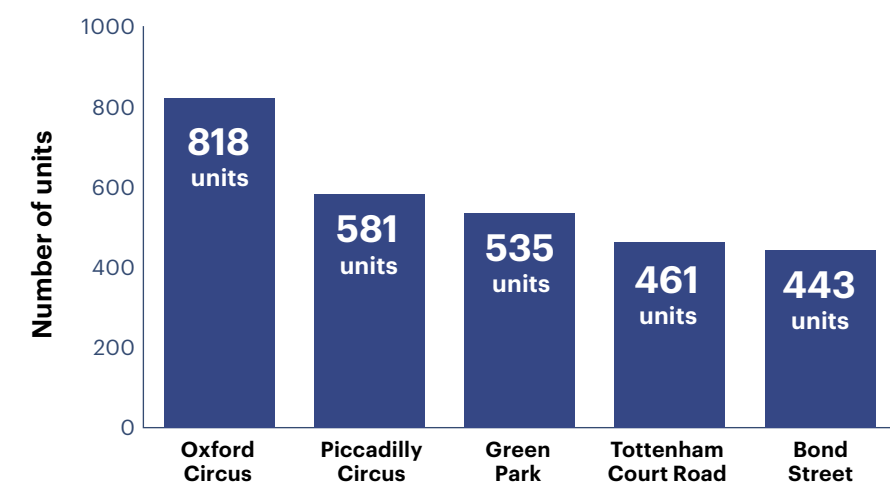


This map shows the 3,752 EPC C-G rated units located in the Westminster CAZ.

Figure 2: Heatmap of EPC C-G densities in Westminster



The station catchments with the highest number of EPC C-G rated units within 500m:





## What the maps show

The West End core and areas surrounding Westminster’s Elizabeth line stations have experienced the highest levels of lettings activity over the past five years. Oxford Circus, Piccadilly Circus, Green Park, Tottenham Court Road and Bond Street form a tight cluster where journeys are short, pavements are busy and the local amenity offer is rich.

These areas overlap with the parts of the Westminster CAZ that are home to the highest levels of EPC C-G rated units. This creates a large pipeline of stock that can be upgraded and re-let quickly within a five-to-10-minute walk of the most connected stations - the places with the highest demand for office floorspace.

### Ward by ward highlights

#### West End ward

Soho, Mayfair and parts of Fitzrovia show the highest overlap of letting activity and EPC C-G rated units, with Oxford Circus and Piccadilly Circus at the centre of this. Older Grade B and Grade C stock located next to best-in-class buildings on the roads off Regent Street and Oxford Street present good opportunities to upgrade. Bond Street’s Elizabeth line entrances at Hanover Square and Davies Street have improved Mayfair’s connectivity with Soho.

#### St James’s and the Piccadilly and Green Park catchment

Piccadilly, St James’s and the streets around Green Park have strong footfall and a significant amount of EPC C-G rated stock, particularly on side streets with heritage façades. These are well suited to high-quality refurbishments and selective redevelopment behind retained fronts that preserve character, whilst delivering near-new performance.

#### Marylebone and Bryanston and Dorset Square

Around Baker Street, Marylebone High Street and Marylebone station, EPC C-G rated buildings are common, whilst lettings activity is patchy. This lends itself to a programme of targeted refurbishments and fitted floors designed to reduce letting decision times and bring space to market quickly. On quieter back

streets, where buildings often have constrained floorplates or limited headroom, a change of use should be considered where policy permits.

#### Hyde Park, Lancaster Gate and the Paddington fringe

Near Marble Arch and east of Paddington there are coherent bands of EPC C-G rated units and a low level of lettings. Where layouts are efficient and the address holds commercial appeal, deep refurbishment is the most appropriate approach. In contrast, where building cores and headroom cannot be brought up to modern standards, new build or comprehensive redevelopment behind retained façades will offer the most effective solution.

#### Regent’s Park and Little Venice

North of Marylebone Road, lettings activity is comparatively lower and EPC C-G rated units are more common on quieter streets farther from major transport links. These locations present strong potential for alternative uses, where residential, educational or hospitality functions may deliver greater value than a pure office refurbishment, particularly on streets set back from the main pedestrian routes.

#### Victoria area including Vincent Square, Warwick, Tachbrook and Pimlico North and South

The Victoria cluster benefits from excellent transport connectivity, supported by the mainline station and the Victoria and District London Underground lines, alongside an amenity offer that continues to expand year-on-year. There is the potential for further regeneration as Network Rail continues to develop its Victoria masterplan. A significant proportion of the existing stock still requires EPC upgrades, particularly within older buildings located to the south and west of the station. Larger sites have the potential to move forward with new build schemes where scale and planning policy allow, whilst secondary streets are better suited to phased refurbishments and the delivery of fitted, ready-to-occupy space. As an Opportunity Area, Victoria is well placed to deliver best-in-class workspace.

#### Bayswater, Westbourne, Harrow Road and Queen’s Park

These northwestern wards generally show a lower density of lettings activity, but a higher concentration of EPC C-G rated units. Buildings located away from the main high streets, particularly those with smaller floorplates, are often better suited to a change of use towards hotel, residential or educational purposes. Along the busier high streets, however, active ground floors combined with flexible upper floors can continue to perform well through light-touch and timely refurbishment.

#### Bond Street: West End anchor, amplified by the Elizabeth line

Bond Street has become a true two-entrance hub, with its Hanover Square and Davies Street exits knitting Mayfair into the Elizabeth line spine. The blend of luxury retail, high-end hospitality and third-space options within a five-minute walk has tightened demand for Prime office space on and around Hanover Square, New Bond Street and Grosvenor Street. The enhanced public realm – clearer sightlines, step-free interchange and calmer crossings – makes travel feel frictionless, aligning with occupier expectations post-pandemic.

Rising footfall and improved east-west connectivity have extended demand north and east of the station, reaching the edges of Soho and Fitzrovia and supporting Grade A and CAT A+ leasing where design quality meets amenity. For financial services, luxury brands, media companies and family offices, Bond Street now offers City-grade connectivity underpinned by the prestige of a Mayfair address – a mix that sustains tighter incentives and faster absorption for best-in-class product.

## Investment potential of EPC C-G stock

The West End ward and St James’s present the most immediate opportunity to upgrade secondary stock at risk of obsolescence into desired workplaces. Refurbished floors around Oxford Circus, Piccadilly Circus, Green Park, Tottenham Court Road and Bond Street are well positioned to capture strong occupier demand and secure rental uplift. Meanwhile, Marylebone and the Paddington fringe areas can support a steady flow of smaller yet frequent refurbishment projects. The delivery of fitted and CAT A+ space will help maintain market momentum, facilitating lettings as larger schemes advance.

#### New build opportunity

New build is particularly compelling on sites capable of accommodating larger, more efficient floorplates, or where existing structures are unable to meet future performance standards. This approach is relevant in parts of Paddington and Victoria, as well as for schemes located behind main street frontages or for comprehensive rebuilds behind retained façades along Oxford Street, Mayfair and Soho. In these locations, the character of the street can be preserved whilst cores and floor-to-ceiling heights are modernised. The aim is to deliver near-net-zero performance, modern plate depths and low running costs in locations with the best everyday access.

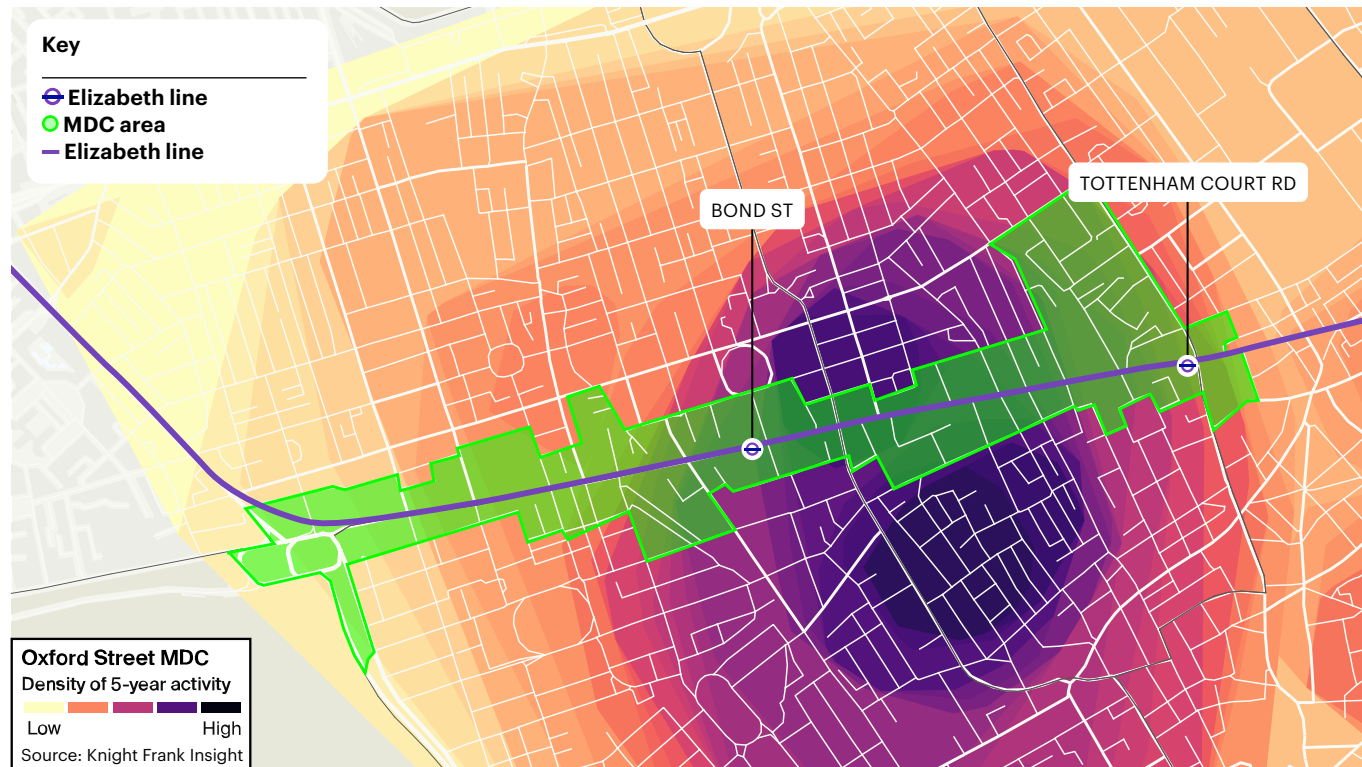
#### Change of use candidates

Figures 1 and 2 (pages 8 and 9) highlight areas with comparatively lighter lettings activity and higher concentrations of EPC C-G rated units, including the Marylebone back streets, the Paddington fringe, and the northwestern wards around Bayswater, Westbourne, Harrow Road and Queen’s Park. In these locations, hotel, residential, educational and mixed-use schemes may outperform a purely office-led approach. Office activity should be focused on the most commercially attractive blocks, whilst alternative uses can bring life and activity to the quieter frontages.

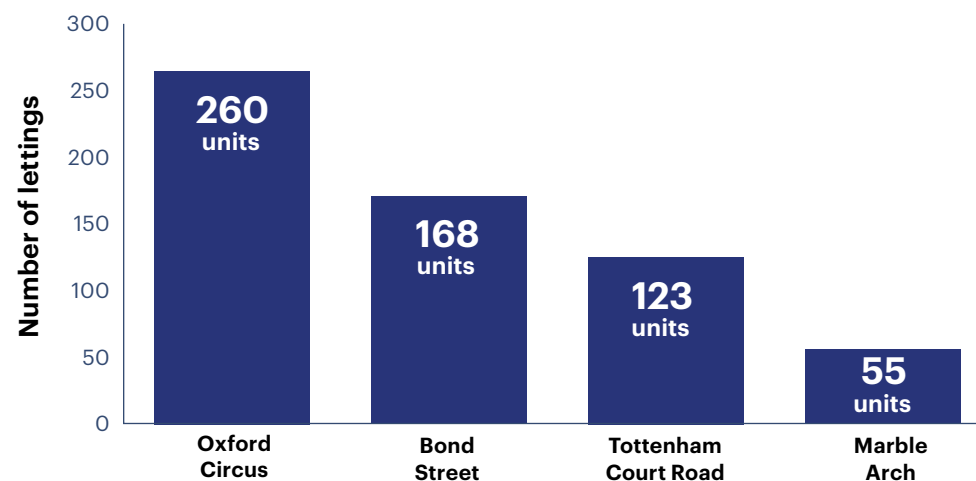
## Part 2: Oxford Street Mayoral Development Area

This map shows the location of the 396 office lettings that have taken place in the Oxford Street MDA since 2020.

Figure 3: Heatmap of lettings activity in Westminster

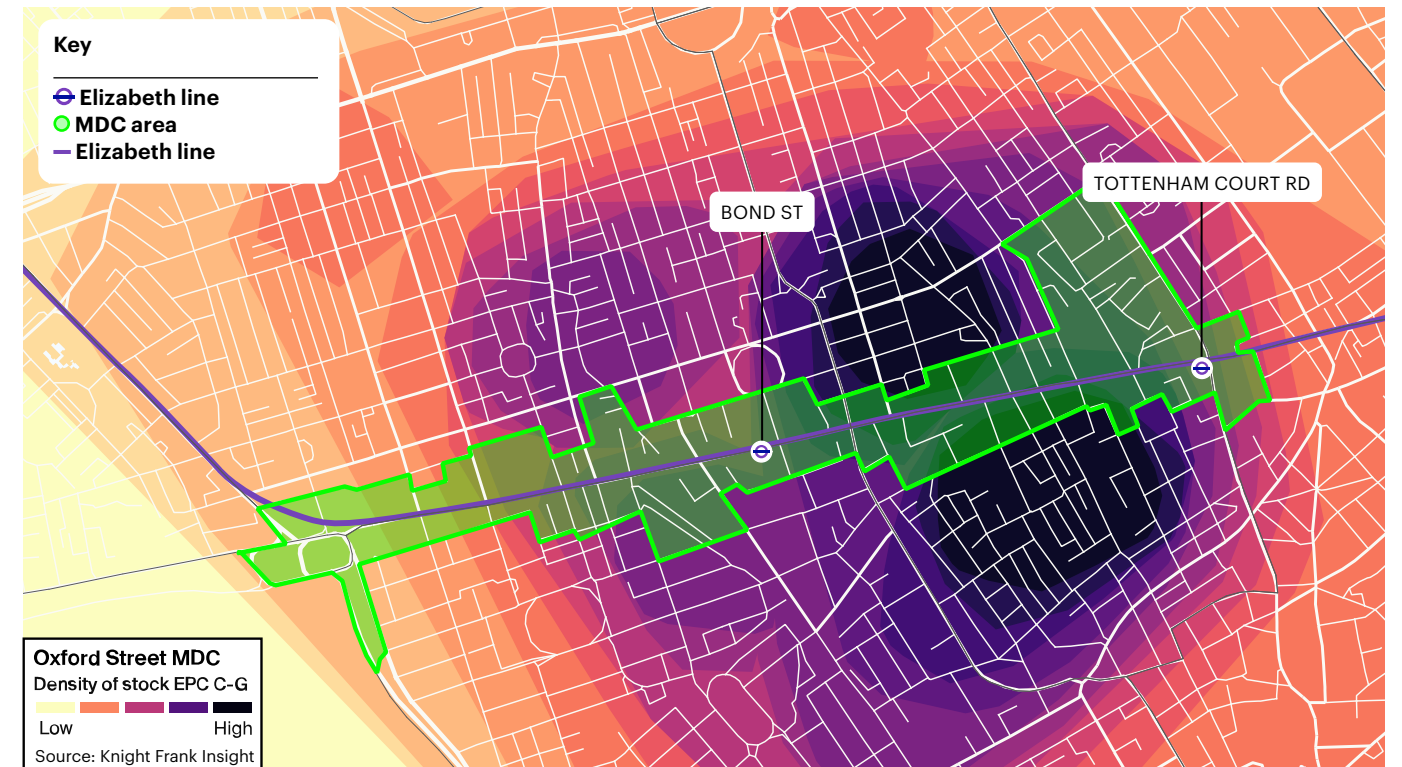


The station catchments witnessing the most lettings within 500m:

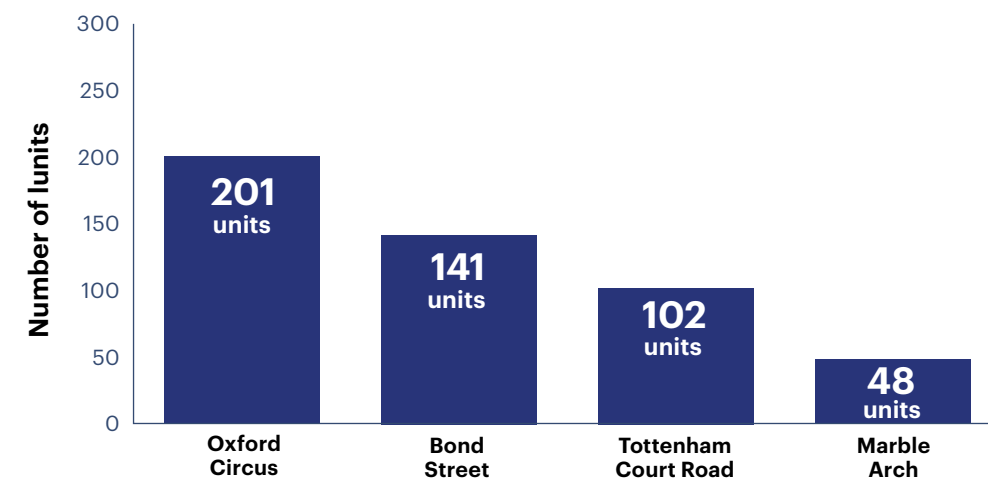


This map shows the location of the 325 EPC C-G rated units in the Oxford Street MDA.

Figure 4: Heatmap of EPC C-G densities in Westminster



The station catchments with the highest number of EPC C-G rated units within 500m:





## Investment potential of EPC C-G stock

Within the Oxford Street MDA, there is 3.8 million sq ft of EPC C–G rated office space, including over 25,000 sq ft in Camden and almost 3.7 million sq ft in Westminster. There is a clear opportunity to upgrade and reposition this stock, unlocking significant value. By today’s capital values, this floorspace underpins an investment value of around £17.2 billion, with an annual prime rent potential of approximately £327.9 million.

### Market signals from deals and EPC

As Figures 3 and 4 (pages 12 and 13) show, the overlap between letting activity and concentrations of secondary stock in the Oxford Street MDA is significant. Areas with high lettings coincide with the greatest volume of upgradeable space, creating a clear route to unlocking value. Investment should therefore be prioritised where occupiers are already most active and where the walk from platform to front door is shortest.

### Delivery priorities

The Oxford Circus to Bond Street spine should be the primary focus, as it has the highest concentrations of both letting activity and EPC C–G rated stock. This corridor presents the strongest near-term opportunity to convert secondary office space at risk of obsolescence into rental value through deep refurbishment and selective redevelopment, supported by confident and vibrant ground-floor uses. Tottenham Court Road should follow a similar approach, combining full refurbishments with CAT A+ and fitted floors to allow space to be occupied quickly, whilst larger projects are completed.

Marble Arch should be treated as a longer-term programme, delivering quick wins on prominent corners, whilst undertaking comprehensive redevelopments where existing structures and cores cannot meet future standards. Heritage is a defining asset along the entire Oxford Street corridor. Façades that convey character should be retained, with interiors re-planned to achieve modern performance standards. All schemes should be anchored by active ground floors, ensuring the area remains lively and engaging

at street level whilst improving the quality and sustainability of the workspace above.

### Role of selective change of use

Change of use has a targeted role within the MDA. On main blocks, the data supports office-led renewal, whilst quieter side streets with persistent EPC C–G stock and lower letting activity could accommodate alternative uses. This might include hotels near theatres and restaurants, student accommodation close to universities and frequent bus and tube connections, or leisure and retail at ground level with flexible upper floors. Such an approach protects the commercial core whilst improving the mix on secondary frontages and increasing footfall throughout the day and evening.

# Conclusion

### Westminster

Secondary office stock in Westminster represents almost £119 billion of capital value and around £3.7 billion a year of prime rent potential if upgraded. Renewal should focus where letting activity is highest and the walk from transport is shortest. Deep refurbishments are best delivered in the West End and St James’s, while quicker wins can keep supply moving in Marylebone and the Paddington fringe. New development should be targeted where existing buildings and cores cannot meet future performance standards, particularly in Paddington and Victoria. In quieter areas with many EPC C–G rated units but fewer recent deals, uses should be adapted to suit the character of the street. The principle is simple: better buildings located next to excellent transport lease first and retain their value.

### Oxford Street

The Oxford Street MDA’s secondary office stock is both substantial and well located. With around £17.2 billion of prime capital value and approximately £328 million a year of prime rent at stake if assets are upgraded, the corridor offers a rare opportunity to align investment, ESG outcomes and place quality. By focusing first on the Oxford Circus to Bond Street core, then Tottenham Court Road and Marble Arch, this value can be unlocked most efficiently, resetting Oxford Street as a high-performing, all-day destination.



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