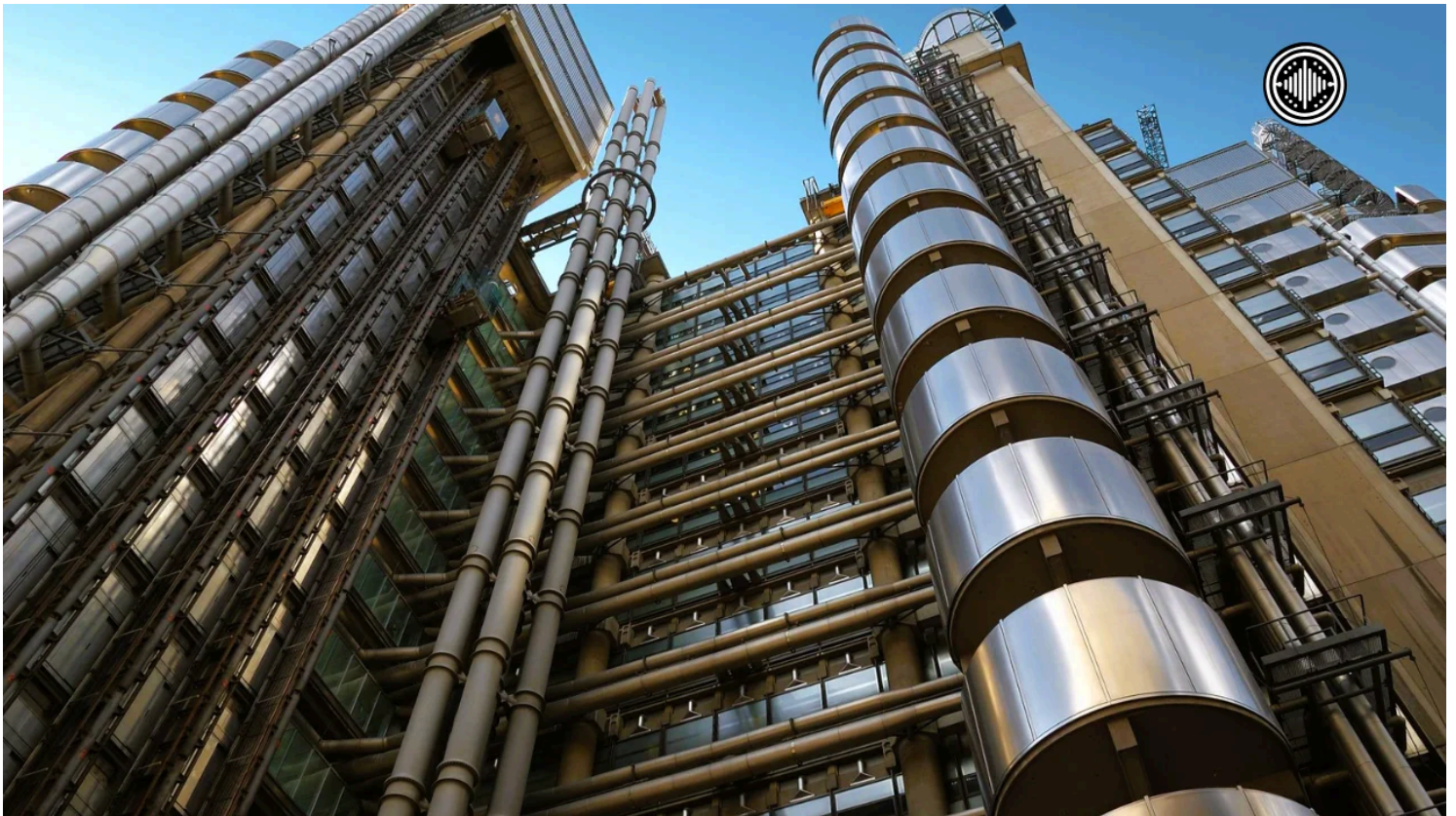


## UK Office Market Set to Thrive as Hybrid Work Fuels Demand for Premium Spaces

June 27, 2025

— Categories: Real Estate



The United Kingdom's office real estate market is poised for steady expansion, with its value projected to grow from USD 69.05 billion in 2025 to USD 80.65 billion by 2030, according to a newly released report by Mordor Intelligence. This growth, representing a compound annual growth rate (CAGR) of 3.15%, reflects a significant transformation in how businesses and employees engage with office environments.

A key driver of this shift is the continued rise of hybrid work models. As of autumn 2024, 28% of working adults in the UK were following a hybrid schedule. This trend has prompted

companies to reduce excess space and prioritize quality over quantity focusing on offices that support collaboration, employee well-being, and flexibility.

The market's preference for Grade A office spaces has intensified. These premium assets accounted for 65.2% of total market share in 2024 and are expected to expand at a 3.40% CAGR through 2030. Beyond Grade A, the emergence of “super-prime” office developments is redefining workplace expectations. Projects like 40 Leadenhall in London, featuring amenities such as wellness centers, rooftop gardens, and private cinemas, signal a growing demand for luxury workspaces designed to attract talent and foster culture.

While London remains the epicenter of the UK's office market, regional growth is accelerating particularly in Scotland, where cities like Edinburgh and Glasgow are expected to see a 4.20% CAGR through 2030. This growth is supported by strong local economies, talent availability, and increasing interest from companies seeking cost-effective, flexible office solutions.

Sustainability and ESG (Environmental, Social, and Governance) standards are also playing a crucial role in shaping tenant decisions. Landlords are investing in energy-efficient buildings and retrofitting existing properties to meet rising expectations around environmental performance.

By sector, Banking, Financial Services, and Insurance (BFSI) led the market in 2024 with a 31.1% share, while the Information Technology and ITES sector is anticipated to grow the fastest, at a 4.01% CAGR.

With major developers and property firms such as British Land, Land Securities, CBRE, Savills, and Workspace Group at the forefront, the UK office real estate market is entering a period of modernization focused on flexibility, sustainability, and premium workplace experiences.