

Press Release 2025



LOOKING AHEAD TO 2026 – NOTTINGHAM OFFICE MARKET OUTLOOK

2025 has proven to be an encouraging year for the office market, following a prolonged period of uncertainty. The sector has demonstrated resilience, stability and growth over the past 12 months, with momentum expected to continue into 2026.

Occupier confidence has been a key driver of this recovery, with businesses committing to longer-term leases. This not only provides landlords with greater security but also signals a clear upward trend in market confidence and growth. Landlords are responding to this renewed confidence by investing in capital expenditure, ensuring they meet the evolving demands of modern occupiers. The push towards high-quality, Grade A space has delivered tangible results: prime rents in Nottingham city centre have now reached £29.00 per sq ft, up from £24.50 per sq ft just a few years ago.

By contrast, lower-quality and un-refurbished offices continue to face some challenges. These spaces are experiencing longer marketing periods and limited rental growth, widening the gap between superior and inferior stock. A key message for 2026 is clear: landlords of secondary space must invest in refurbishment to remain competitive and secure tenants. While Grade B and C offices have not experienced all negativity, there is still demand in this market and we have witnessed activity throughout 2025, rental levels have largely remained stagnant.

The shift away from fully remote working has been another defining trend of 2025. More employees are returning to the office and occupiers are actively seeking space that enhances productivity. The focus has shifted towards offices that adopt culture, lifestyle comforts, collaborative working space and accessibility. This renewed demand has not only reduced reliance on remote working but has also driven businesses to secure larger office footprints. As a result, the average office transaction size has increased compared with the previous 12 months, a clear reflection of growing occupier confidence.

This 'flight to quality' has become increasingly evident over the past few years. Occupiers are prioritising modern, strategically designed office space that aligns with their operational needs and workplace culture, rather than opting for larger, less suitable premises. Business are now focusing on ensuring their overall footprint is the right fit for their employees and long-term objectives. Office buildings offering features such as EV charging points, secure bike storage, shower facilities and breakout space are proving particularly successful. What was once considered a tenant 'luxury' has now become a fundamental requirement in the search for office space.

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Alongside quality, ESG credentials remain at the forefront of occupier decision-making. Energy efficiency and strong EPC ratings are increasingly recognised as essential, not only for reducing occupational costs but also for aligning with broader sustainability goals. It also delivers clear benefits for businesses, strengthening staff morale and supporting employee retention through a focus on wellbeing.

As we move into 2026, the Nottingham office market reflects both the positive momentum of 2025 and the challenges that remain. Demand for high-quality space continues to grow, yet supply remains constrained. While several Grade A schemes are in the pipeline, these projects take time to deliver, meaning immediate availability is limited. At the same time, there is still a significant volume of Grade B and C offices across both city centre and out-of-town locations. Many landlords remain reluctant to commit capital expenditure to refurbishments, yet such investment will be critical in meeting EPC requirements and attracting tenants in the years ahead. Securing landlord engagement in upgrades will be a continued key challenge for 2026.

Despite these pressures, the resilience and growth witnessed throughout 2025 set a positive tone for the year ahead, reinforcing Nottingham’s position as a market adapting to evolve occupier needs.

ENDS

Amy Howard

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