



M1 South *Offices and Labs*

Overview

Occupier

After a quiet first half, demand for offices in Milton Keynes picked up in the second half of 2025. Annual take-up reached 205,200 sq ft, on a par with 2024 and occupier requirements rose to 385,200 sq ft, boosted to some extent by the plans for a new Universal Studios theme park outside Bedford.

Consistent with the pattern of recent years, the main focus was on Grade A space in the city centre. In part this is driven by companies looking to attract staff back into the office and in part by corporate responsibility and the need to cut carbon emissions. The biggest letting was to Connells who took 58,200 sq ft at Witan House Gate and there was a series of smaller lettings to tech and healthcare companies. Competition for Grade A space pushed up prime rents in the city centre to £39.00 psf last year, an increase of 11%. We expect prime office rents in Milton Keynes to reach £45.00 psf by end-2030.

On the downside, the pressure to upgrade offices has led to an increase in vacancy in older buildings and fringe locations. Available space rose to 796,400 sq ft at the end of last year, or 15.9% of floorspace. While some empty offices will be refurbished, or converted to residential, that will not be viable in every case.

Development

There are no new offices under construction in Milton Keynes. The next major scheme is likely to be the refurbishment of Santander's former office in the city centre by Osborne & Co'. The scheme which has been re-branded as the Verve will provide 213,200 sq ft of Grade A space across two buildings and initial strip out works are due to begin shortly.

Investment

The Milton Keynes office investment market was quiet in 2025, echoing the trend elsewhere in the UK. Prime office yields rose by a further 50 bps in the second half of 2025 to 10.5%. That is 2% higher than their previous peak during the financial crisis and we believe provides an attractive entry point, given the potential for future rental growth and 10 year government bond yields at 4.5%.



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The facts

385k sq ft

Requirements increase to highest end-year level since 2019

147k sq ft

Limited Grade A office supply in Central Milton Keynes

15.9 %

Availability rate in Milton Keynes at end 2025

£39.00 psf

Prime office rents move to new high at the end of 2025

News highlights

Requirements rise driven by professional services and tech firms

The decision by Connells to move from Leighton Buzzard to a newly refurbished office in central Milton Keynes (Witan Gate House, 58,200 sq ft) is symptomatic of a broader trend of businesses relocating to the city to take advantage of its large pool of highly educated staff and good transport links. The announcement by Universal Studios of a new theme park outside Bedford has further boosted demand. The number of requirements doubled compared with end-2024 and the total space required rose to 385,200 sq ft. Most of the growth was driven by professional services and tech businesses.

Availability falls in city centre, but increases in fringe locations

Overall availability rose to 796,400 sq ft at the end of last year, or 15.9% of floorspace. However, the increase at the aggregate level masks a divergence between the city centre and fringe locations. Availability in Milton Keynes city centre fell by 68,000 sq ft between end-2024 and end-2025, with a particularly sharp fall in Grade A space, demonstrating that office occupiers are prepared to pay for high quality space, close to amenities. By the end of last year, there was just 147,000 sq ft of Grade A space in the city centre, with the biggest single space at The Pinnacle on Midsummer Boulevard (55,100 sq ft). Conversely, the amount of available space outside the centre in fringe areas rose by 171,000 sq ft in 2025 and 80% of the available space at year end was either Grade B, of C.

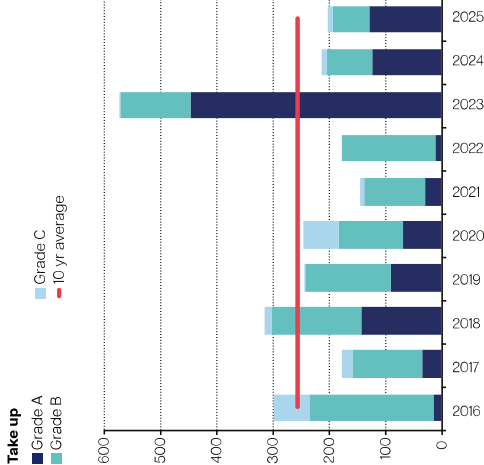
Milton Keynes Council's (MKC) plans to create a Technology Quarter

Milton Keynes Council's recent redrafting of the MK City Plan 2050 has refocused attention on the council's ambitions to create a Technology and Creative Quarter in the city centre. The city already has a large cluster of software and hardware companies with expertise in digital marketing, fintech, gaming and robotics and the Tech Quarter will act as a hub for businesses, educators and investors. Milton Keynes status as a Smart City, will also see it act as a 'test base' to trial cutting edge technologies like self-driving shuttles for public transport, drone delivery operations and advanced communication networks. The new Draft Plan is currently out for public consultation before being submitted to the Secretary of State at the end of Q1 2026.

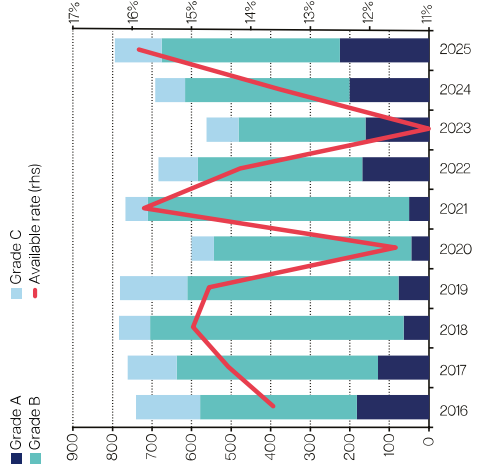
Offices

Limited Grade A space in the city centre is likely to support further prime rental growth

Office demand 000 sq ft (Dec 2025)



Office supply 000 sq ft (Dec 2025)



Office rents £psf (Dec 2025)



Prime £39.00
Secondary good £35.00
Secondary poor £13.50
Annualised growth rate 2.9% p.a.

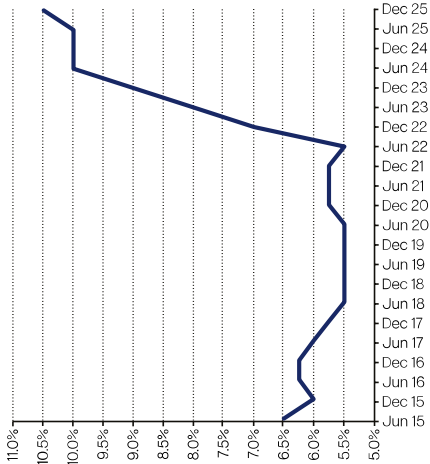
Capital markets

The Milton Keynes office investment market was quiet in 2025, echoing the trend in the wider UK market. In total there were £10 million of deals, compared with an annual average of £61 million over the last decade.

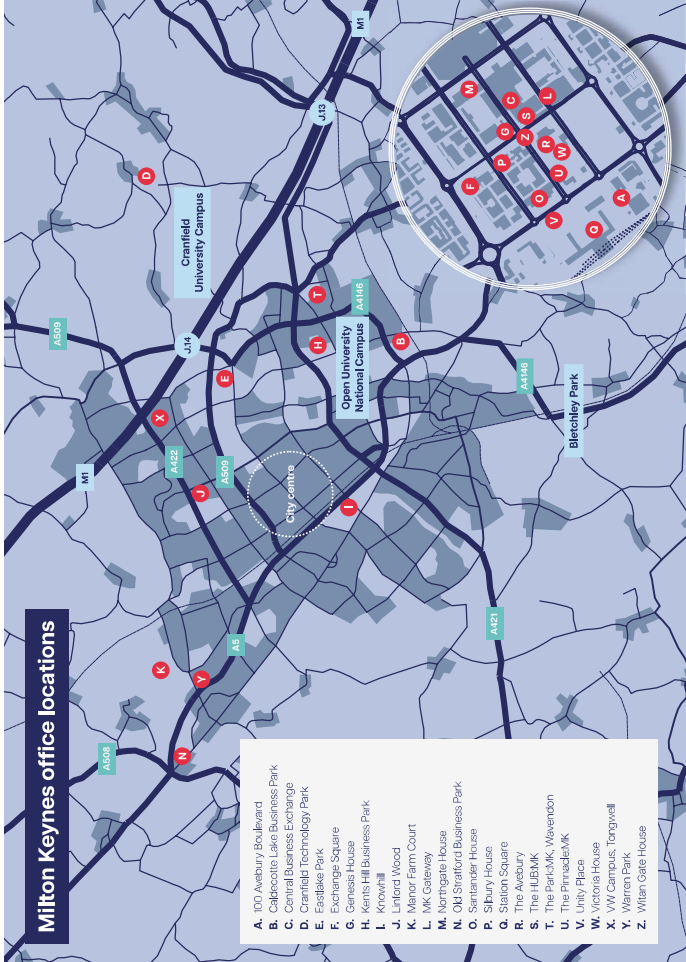
The biggest office transaction last year was the sale of Mercury House, Brickmill Street for £8.1 million in December. The three storey building which is on the outskirts of Milton Keynes overlooks Willen Lake and has prior approval for conversion to 83 residential units.

Prime office yields in Milton Keynes rose by a further 50 bps in the second half of 2025 to 10.5%. That is 2% higher than their previous peak in 2009 during the financial crisis and we believe provides an attractive entry point, given the potential for future rental growth and 10 year government bond yields at 4.5%.

Milton Keynes prime office yields



Source: Bidwells



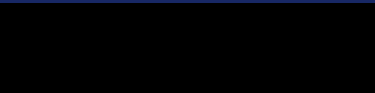
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