City of London Corporation

Offices SPD

Supplementary Planning Document | June 2026

CITY OF LONDON

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1. Purpose

1.1 As at 2026 there is currently over 9 million square metres (sqm) GIA of office floorspace in the City of London with a minimum of 1.6 million sqm GIA (1.2 million sqm NIA) of new office floorspace required between 2023 and 2040.[1] The City Plan 2040 aims to facilitate significant economic and employment growth through policies for retaining and increasing the City's office stock.

1.2 The purpose of the SPD is to aid the interpretation and implementation of planning policies within the City Plan 2040. The aims of the SPD are to protect strategically important office accommodation and maintain a sufficient supply of office space suitable to meet the requirements of a variety of sectors and markets.

1.3 The Offices SPD will primarily be used by those developing new and existing office floorspace or exploring the future of their office assets within the Square Mile and development management officers in assessing planning applications relating to office developments. Once adopted and fully implemented, the SPD will be considered and referred to by decision-makers within the City Corporation.

Policy Context

1.4 The Offices SPD provides additional guidance on the application of policies within the City Plan 2040 and is also aligned with the policy approaches of the National Planning Policy Framework (NPPF) the London Plan (2021) and the growth aims of the Towards a New London Plan consultation document (2025). **Paragraph 8 (a)** of the NPPF[2] sets out the overarching economic objective for achieving sustainable development:

> "to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure"

1.5 The London Plan (2021) reflects the importance of London as the engine of the UK economy and its unique strengths in specialist fields like finance, business services, technology, creative industries and law, all present in the Square Mile. London Plan **Good Growth Objective 5** (GG5 Growing a good economy) seeks to conserve and enhance London's global economic competitiveness by planning for sufficient employment space in the right locations. The London Plan seeks to support and enhance the nationally and internationally significant office functions of the Central Activities Zone (CAZ), including the intensification of existing and provision of sufficient space to meet demand (London Plan Policy **SD4 (B)**). Paragraph 2.0.6 of the London Plan recognises the CAZ as the primary location (alongside London's town centres) for commercial activity in the capital and paragraph 2.4.8 states that, as a whole, the CAZ supports a nationally and internationally significant scale and agglomeration of offices, enabled by the hyper-connectivity of its public transport infrastructure. Policy **E1 part C** of the London Plan 2021 states:

> "The unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the central London office market, including the CAZ, NIOD (Northern Isle of Dogs) and other nationally-significant office locations (such as Tech City and Kensington & Chelsea), should be developed and promoted. These should be supported by improvements to walking, cycling and public transport connectivity and capacity. Future potential reserve locations for CAZ-type office functions are identified at Stratford and Old Oak Common, capitalising on their current and potential public transport connectivity to central London, the UK and beyond"

1.6 Paragraph 6.1.7 also sets out specific marketing requirements for surplus office space to ensure that it is marketed for at least 12 months, at market rates suitable for the type, use and size. The Towards a New London Plan consultation document (2025), states that planning has a role to play to support the development of London's key growth sectors, including financial, professional and business services.[3]

1.7 One of the key pillars of the City of London's Corporate Plan 2024-2029 is dynamic economic growth. The Corporate Plan aims to "*drive dynamic economic growth in financial and professional services at local, national, and international levels and supports creating jobs, attracting investment, and supporting businesses across communities and the country*".[4] The City Plan 2040 is aligned with this aim, Strategic Policy **S4 (3)** states "*the City Corporation will facilitate significant growth in office development of the highest quality to meet projected economic and employment growth by ensuring that new floorspace is designed to be flexible to allow the transformation and adaptation of space to support new uses, different layouts and configurations, different types and sizes of occupiers, and to meet the needs of Small and Medium Enterprises (SMEs), start-up companies, creative industries and those requiring move-on accommodation*".

Dynamic Economic Growth

The City of London is the engine in the country's economy. Driving dynamic economic growth in financial and professional services at local, national, and international levels will create jobs, attract investment, and support businesses across communities and the country.

Excerpt from the Corporate Plan 2024-2029

1.8 Strategic Policy **S4 (5)** facilitates economic growth by "*protecting existing office stock from being lost to other uses where there is an identified need or where the loss would cause harm to the primary business function of the City*". This SPD provides specific additional guidance on the application of Policy **OF2**; however, even if a planning application for a proposed change of use were found to comply with both parts of this policy the proposal would also be required to be considered against the requirements of Policy S4 to ensure that the loss would not harm the primary business function of the City. This guidance in this SPD should also be considered alongside all policies of the City Plan 2040, including those which set out other particular requirements to address local issues such as Policy **HS1**: Location of New Housing (2), Policy **HS6**: Student accommodation and hostels (1d), Policy **HL3**: Noise (2) and Policy HE1: Managing the Historic Environment.

5 Offices

Strategic Policy S4: Offices

The City Corporation will facilitate significant growth in office development of the highest quality to meet projected economic and employment growth by:

1. Increasing the City's office floorspace stock by a minimum of 1,200,000 m² NIA (1,600,000 m² GIA) net during the period 2021 to 2040, phased as follows:
   - 2021 – 2026 500,000m² NIA (666,666m2 GIA)
   - 2026 – 2031 400,000m² NIA (533,333m2 GIA)
   - 2031 – 2036 200,000m² NIA (266,666m2 GIA)
   - 2036 – 2040 100,000m² NIA (133,333m2 GIA)
2. Ensuring that new floorspace is designed to be flexible to allow the transformation and adaptation of space to support new uses, different layouts and configurations, different types and sizes of occupiers, and to meet the needs of Small and Medium Enterprises (SMEs), start-up companies, creative industries and those requiring move-on accommodation.
3. Promoting the retrofitting of existing office buildings for office use and upgrades to their environmental performance and the quality of accommodation.
4. Where appropriate, encouraging the provision of affordable office workspace that allows small and growing businesses the opportunity to take up space within the City.
5. Protecting existing office stock from being lost to other uses where there is an identified need or where the loss would cause harm to the primary business function of the City. Where necessary, conditions may be attached to permissions for new office floorspace to secure its long-term use for such purposes.

Excerpt of Strategic Policy S4 from City Plan 2040

1.9 In supporting the strategy for economic growth for the City, City Plan Policy **OF2** protects existing office floorspace, setting a criteria-based approach to any changes of use.

1.10 Paragraph 5.3.0 of the City Plan 2040 also sets out that to maintain the position of the world's leading international financial and professional services centre and to accommodate the projected increase in employment and office floorspace, it is important to retain the substantial majority of existing office stock whilst accommodating future demand through the provision of flexible floorspace that is suitable for a range of occupiers and refurbished office space.

1.11 The primary business function of the City is supported by other uses, infrastructure and services, to ensure that it can function successfully on a day to day basis. This includes student accommodation and hotels. In accordance with City Plan Policy **HS6**, student accommodation will be permitted where (6) they would not prejudice the primary business function of the City, or result in the loss of suitably located and viable office floorspace, contrary to Policy **OF2**. City Plan Policy **CV4** allows for the provision of hotels and other visitor accommodation where they (1) comply with the requirements of **OF2**. Hotel accommodation is important to cater for business visitors wishing to stay in the City, as well as leisure visitors.

Policy OF2: Protection of Existing Office Floorspace

1. The loss of existing office floorspace will be resisted unless it can be demonstrated that:
   a. The proposed development would not lead to the loss of office floorspace that is, or sites that are, of a strategically important scale, type and/or location for the City;
   b. The proposed development would not compromise the potential for office development on sites within the vicinity; and
   c. There is no demand in the office market, supported by marketing evidence covering a period of no less than 12 months.
2. Where the criteria in part 1 of this policy have been met, proposals that would lead to the loss of existing office floorspace may follow one of the following routes:
   a. Viability tested route: Proposed development will be required to demonstrate that the retention, refurbishment or reprovision of the office floorspace would not be viable in the longer term, demonstrated by a viability assessment;
   b. Retrofit fast track: Proposed development will be required to retain the substantial majority of the superstructure of the existing building, lead to an improvement in the environmental performance of the building, and result in change of use to (one or a mix of) hotel use, cultural uses, and/or educational use. Partial retention of office floorspace will be encouraged;
   c. Residential areas route: the loss of office floorspace is proposed on a site within or immediately adjacent to identified residential areas and would result in the provision of additional housing;
   d. Ground floor uses: the loss of office floorspace would be limited to ground or below ground levels, and proposed new uses would be complementary to continued office use on upper floors. Active frontage uses will be required at ground floor levels in most instances.

Excerpt of Policy OF2 from City Plan 2040

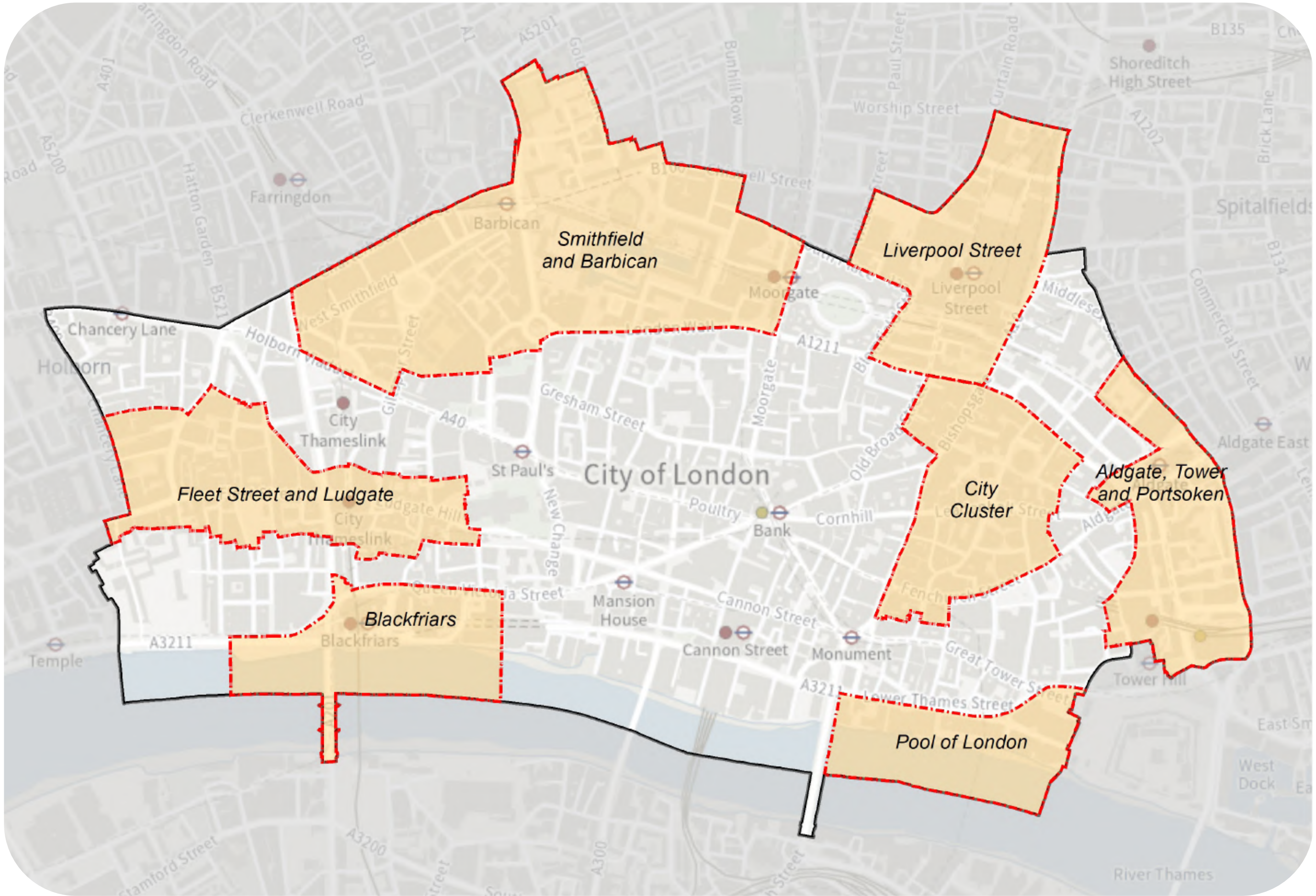
1.12 The Key Areas of Change (KAOC) Strategic Policies in the City Plan 2040 also contribute to the economic growth strategy of the City through highlighting opportunities for regeneration and the provision of a mix of uses including and complementary to the offices function of the City, in particular:

- Policy **S21(1)**, the City Cluster KAOC sets out how it will accommodate significant office growth by increasing the provision of attractive world class buildings that are sustainable and offer a range of office accommodation to cater for the needs of varied office occupiers.

- Policy **S22 (5)** highlights the character and function of the Fleet Street and Ludgate Key Area of Change as a centre for judicial and related business, a royal and state processional route and a Principal Shopping Centre (PSC) will be promoted by allowing tall building development on appropriate sites within the defined tall building area identified on the Policies Map.

- Policies **S17 (1)(e)**, **S18 (3)** and **S19 (3)** along the riverside all promote office-led commercial development or refurbishment, while providing retail, culture and leisure uses and safeguarding heritage assets and biodiversity value.

- Policy **S25 (4)** ensures that the Moorgate-Liverpool Street area takes advantage of the opportunities of the Elizabeth line by encouraging the development of flexible office space to meet the needs of future offices occupiers and potential start-ups, allowing for business growth in a variety of sectors.



Map of Key Areas of Change in the City of London

2. Theme 1: Office Stock and Market Trends

2.1 The Square Mile is a highly successful office market due to the enormous variety of offices that are available to businesses with different sizes, scales, locations, rents, features and amenities. Offices in the City enjoy unparalleled levels of connectivity to a rich talent pool, with over 6.37 million people of working age who can access the City within 60 minutes, which is around a quarter of the working age population of England and Wales.[5] The City contains several major transport nodes, including Liverpool Street station (the country's busiest), other mainline stations, 7 underground lines, 10 underground stations – including interchanges such as Bank station – and 120 bus stops and numerous cycle routes. Over 99% of all office floorspace in the City is within a 5-minute walk from a rail or tube station[6], with many offices within shorter walking distance of multiple stations. Almost all of the Square Mile is rated in Public Transport Accessibility Level (PTAL) as 6b, which is the highest rating.

2.2 The City of London is a global economic hub with the Gross Value Added (GVA) for the City in 2023 was £79 per hour worked, and £152k per job filled.[7] This exceeds equivalent figures for London as a whole, which stand at £54 per hour worked, and £90k per job filled.[8] There are 676,000 jobs registered in the City.[9]

2.3 The City is as busy as ever with footfall consistently increasing throughout 2025 having increased by 7% compared to the previous year.[10] Between 2021 and 2023, employment in the City of London grew by over 90,000 jobs.[11]

2.4 While the largest amount of jobs in the City is in traditional office based sectors (financial and insurance, real estate, legal, head offices), there is growth in the emerging office-based firms (research and development, information, communication and technologies, architectural and engineering, scientific research, advertising, other professional services) which tend to value different typologies of office spaces. This includes more agile working environments with lower workplace densities and higher amenity offices.[12] From 2018 to 2023, employment in the finance sector grew by almost 25% as compared to over 100% growth in the information and communication sector.[13]

2.5 Recent trends for demand for office space in the City of London has increasingly been for high quality office space with Prime and Grade A space accounting for nearly 70% of lettings since 2020.[14] Office buildings in the UK, and around the world, typically fall into three different categories, which form a grading of quality. Most markets globally differentiate their office stock into Grade (Class) A, B, or C, but the definitions and approach vary from market to market with the British Council of Offices providing guidance in the UK.[15] The concept of 'best in class' office is gaining traction and is generally understood to exceed Grade A standards, associated with prime locations, superior amenities and cutting-edge sustainability features.[16] Office occupiers and investment funds increasingly prioritise the sustainability credentials of new and refurbished office buildings to align with the personal goals of their workforce or to meet corporate sustainability goals. However,

occupiers will always make trade-offs, considering factors of location, price and quality to inform their choices and not all occupiers will demand the highest grade of offices, provided that other requirements are met. Demand for office space in central London remains high[17], and a large proportion of all grades of offices across the City remain occupied. Much of the City's secondary office stock has the potential to be upgraded as leases expire; therefore, the planning system should seek to facilitate the upgrading and renewal of existing office stock. Given the strong demand, the need for a variety of spaces, and the need to encourage renewal of stock, the City needs to retain the vast majority of office spaces currently in the Square Mile.

2.6 Large occupiers are a key feature of the City's business ecosystem. The City of London is a premier global financial and professional services centre. Many companies have their global offices or European office in the City of London. For occupiers with many employees, it is often more efficient for them to be located on fewer floors, thus their request can sometimes be for large floorplates. Therefore, the availability of large, flexible floorplates can be key to maintaining a good stock of office floorspace to meet demand.

2.7 Increasingly occupiers are looking for premises that can give their employees a good workplace experience, one that is compelling to staff who have choice in where they work.[18] The workplace experience includes not only the office but the surrounding environment. In interviews with City workers, diversity of both convenience and comparison retail provision was consistently named as a top priority outside of the office.

2.8 Demand is driven for offices as places for collaboration and socialising, some occupiers require high levels of amenity, both internally within a building and externally in neighbouring areas to attract employees to the office.[19] A new London-wide emerging trend is the 'hotelification' of offices. This means that some occupiers and workers are increasingly expecting offices to be all encompassing with leisure amenities, fostering a sense of community and catering to both personal and professional needs, so potential occupiers tend to look for workspaces that prioritise wellbeing, productivity and comfort as a necessity.[20]

2.9 Businesses in the Square Mile are enhanced by the effects of agglomeration. Agglomeration occurs where firms and workers derive benefits from being in close proximity to one another. The benefits of agglomeration, such as superior economic performance, increase with scale because as the size of the market increases, opportunities to achieve better economic outcomes also increase.[21] Knowledge sectors, which are more sensitive to agglomeration, are more productive in central London than elsewhere.[22] Proximity can breed more communication and feedback than remote work environments, with long term social capital growing with communication and feedback making workers and firms more productive in the long term.[23] For example, the Bank of England has been located within the City of London since 1694 and on Threadneedle since 1734 and the Middle Temple has been in its location along the Thames since the 1500s. The locational expertise from the finance sector and their offices near the Bank of England and the clustering of lawyers near the Middle Temple and courts of law over the long term has been able to foster the exchange of ideas and information, known as knowledge spillover.[24] The longstanding economic concentration of commerce in the Square Mile highlights the importance of protection and enhancement of existing offices.

2.10 Even with the degree of home working seen recently, physical presence in office is still important. A study of employee perceptions within a bank in the City of London recently identified the ease of communication, team spirit, and pride in working in a leading international financial centre as factors behind employees' satisfaction with the return to the office.[25] Collaboration and socialising were also identified as the main benefits of office attendance in interviews with City workers conducted to inform the scope of this Office SPD.

3. Theme 2: Definitions of Strategically Important Location, Type and Scale

3.1 Section 2 above highlights the importance of offices to the economic output of the city as well as key factors and trends which drive office occupation. This means that a substantial majority of offices in the City are likely to be considered ‘strategically important’ in the context of Policy **OF2**, reflecting the critical role of the City in supporting and enhancing the nationally and internationally significant office functions of the CAZ, including the intensification and provision of sufficient space to meet demand, as identified in the London Plan.

3.2 Policies in the City Plan 2040 recognise that it is vital to ensure that sufficient office floorspace is available to meet projected employment growth and occupier demand. Strategic Policy **S4 (5)** protects existing office stock from being lost to other uses where there is an identified need or where the loss would cause harm to the primary business function of the City and **(3)** promotes the retrofitting of existing office buildings for office use and upgrades to their environmental performance and the quality of accommodation. Policy **OF2** seeks to protect existing offices floorspace and outlines circumstances in which offices may be considered for change of use. **OF2 (1a)** provides a criteria-based approach to the assessment of schemes involving a loss of office floorspace. This sets out that a loss of floorspace or sites suitable for office development will be resisted unless it can be demonstrated that it is not of strategically important scale, type and/or location. This SPD provides additional guidance on the scope and definitions of these terms.

3.3 Offices are the majority land use in the Square Mile. An office or site may be considered strategically important due to its scale, location or type, or for a combination of these reasons.

Location

3.4 The London Plan recognises the CAZ – which includes the entirety of the City – as being one of the world's most attractive and competitive business locations. Paragraph 2.4.4 defines the strategic functions of the CAZ which includes: "*agglomerations of nationally and internationally significant offices and company headquarters connected with finance, business, professional bodies, associations and institutions*". The London Plan recognises the City of London as a nationally important location for globally-oriented financial and business services, and requires the office functions of the CAZ to be supported and enhanced by all stakeholders (see Policy SD4), as well as being clear that residential development is not appropriate in defined parts of the City in order to ensure that the agglomeration of offices is not compromised by new residential development.

3.5 The City's office stock is spread across all parts of the Square Mile, and it is this breadth, concentration and volume of offices that make the City such an important location for continued economic growth. The Spatial Strategy of the City Plan encourages office growth in all parts of the Square Mile, recognising that office floorspace need will be met through the delivery of new office space and refurbishment and retrofit of existing space (see paragraph 5.1.4 of the City Plan).

3.6 This section sets out the importance of a site or building's particular location in the determination of whether it would be considered 'strategically important'. Generally, a location within a tall building area, key area of change or near a key transport node means that a site would be **highly likely** to be considered 'strategically important' in the context of Policy **OF2**.

3.7 Given the role that the City as a whole plays in providing office space and the potential for development, for the implementation of City Plan Policy **OF2 (1a)**, all offices larger than 5,000sqm (GIA) in any location in the City are **highly likely** to be considered to be strategically important.

<u>City Cluster KAOC/City Cluster Tall Building Area, Liverpool Street KAOC/Broadgate Tall Building Area, Fleet Valley Tall Building Area</u>

3.8 The Spatial Strategy of City Plan 2040 states: "*net additional office floorspace will primarily be delivered in the City Cluster KAOC, supplemented by the Fleet Street and Ludgate KAOC and Liverpool Street KAOC*". The Liverpool Street KAOC, Fleet Valley Tall Building Area and the City Cluster KOAC contain major concentrations of existing offices that contribute to the strategically important business function of the Square Mile. These areas also enjoy exceptional accessibility by public transport from multiple transport nodes. All three tall building areas have significant potential for office uplift from sites within these areas despite some challenging and complex street patterns, views issues and constraints. For these reasons, all offices in these areas are **highly likely** to be considered strategically important (regardless of scale, type and other criteria).

Blackfriars KAOC, Pool of London KAOC

3.9 Strategic Policy **S18 (1)** of the City Plan seeks to enhance the character and amenities of the Blackfriars Key Area of Change by making the area's buildings, streets and public spaces more inclusive, accessible, welcoming and vibrant, with a mix of uses that encourages more activity and greater enjoyment of the River Thames and the Riverside Walk for all. It seeks to provide new high quality office and commercial accommodation in the area. This area has substantial potential for enhancements to its character alongside significant uplift in office capacity; however, it faces constraints in terms of site agglomeration, townscape constraints, and infrastructure. Development in this area therefore warrants a holistic approach being taken. In this location it is important to avoid piecemeal change of use from office to other uses, which could lead to further limitations, preventing the area's potential transformation. All offices and sites in this area are therefore **highly likely** to be considered strategically important when implementing City Plan Policy **OF2**.

3.10 Strategic policy **S19 (2)** of the City Plan for the Pool of London Key Area of Change seeks renewal of the area through the refurbishment and redevelopment of building stock and the delivery of significant public realm improvements and seeks to enable office-led mixed commercial use redevelopment or refurbishment. The office stock in this KAOC is characterised by stand-alone office buildings that are all of a significant size and therefore play an important role in providing office floorspace in the City. All offices in this KAOC are therefore **highly likely** to be considered to be strategically important for the implementation of City Plan Policy **OF2**.

Areas near key transport nodes

3.11 The most sought after locations for occupiers are where multiple amenities and services and excellent transport connections overlap. These are also highly sustainable locations for offices and office development. The closer an office is located to a key transport node, the more strategically important the building or site is likely to be considered. Specific distances provided in this SPD should be used as a general guide.

3.12 Exceptionally well-located sites in very close proximity to the key transport nodes of the Elizabeth line, mainline rail and Bank underground are **highly likely** to be considered to be strategically important. Offices within 250m of entrances of these key transport nodes are **highly likely** to be considered strategically important. Offices between 250-500m of a key transport node are **likely** to be considered strategically important and this is more likely where the office is of a modern type, and depending on which KAOC it is in and whether it has uplift potential. Sites further than 500m from these key transport nodes entrances are **less likely** to be considered strategically important, depending on their assessment against the other location, size and type considerations within this SPD.

Fleet Street and Ludgate KAOC

3.13 City Plan Policy **S22** Fleet Street and Ludgate KAOC seeks to protect existing office use in the area, and recognises and supports the character and function of the areas as a centre for judicial and related businesses. City Plan Policy **S22** encourages office led redevelopments with a mix of complementary retail, leisure and cultural uses which enhance the area's rich heritage and culture. The London Plan CAZ diagram identifies part of the area as a legal cluster. Sites in the Fleet Street and Ludgate KAOC are therefore **likely** to be considered strategically important, especially where they are of a modern type or have uplift potential, or are near to key transport nodes.

Aldgate, Tower and Portsoken KAOC, Smithfield and Barbican KAOC

3.14 Policy **S20 (1)** for the Aldgate, Tower and Portsoken KAOC promotes this part of the City as a mixed-use area, which balances the requirements of residents, workers and visitors, by promoting a greater mix of development including commercial, residential, education and hotels supported by complementary cultural and community use development to assist in the further renewal of the area. In recent years, the area has seen a several developments and proposed schemes that would result in the reduction of office floorspace in the area. It is important that office use continues to play a role in the mix of commercial (and other) uses in this location.

3.15 For the above reasoning, in these locations, larger offices – those with over 5,000sqm (GIA) of floorspace – are **highly likely** to be considered strategically important for the implementation of City Plan Policy **OF2** and Policy **S20**. Smaller (less than 5,000sqm (GIA)) modern offices that have the potential to meet current demand are **likely** to be considered strategically important. Other smaller offices **may** be considered strategically important in these locations as part of the mixed use environment, depending on assessment against other parts of this SPD.

3.16 To maintain an appropriate mix of uses and a variation in sizes of offices in the Aldgate, Tower and Portsoken KAOC area, when considering scale there may also be circumstances where a site of under 5,000 sqm **may** be considered of a strategically important scale. Decisions on change of use in the area will consider the potential cumulative impact of the losses.

3.17 The Smithfield and Barbican KOAC contains a broad mix of uses, including residential use at the Barbican, Golden Lane Estate and in Smithfield; office uses around Silk Street, Moorgate, London Wall, Aldersgate Street, and elsewhere; the high-profile cultural institutions of the Barbican Centre and London Museum; St Bartholomew's Hospital; Smithfield Market; churches, education uses, open spaces and other functions. The area includes two Elizabeth line stations as well as connectivity to Farringdon, City Thameslink, Moorgate and Barbican stations. While offices do not make up the largest proportion of land use in the area, they play an important role in the mix of uses in the area as well as making a critical contribution to the strategic office function of the City in a highly connected location near key transport nodes. Offices within this KAOC which are close to key transport nodes are **highly likely** to be considered strategically important.

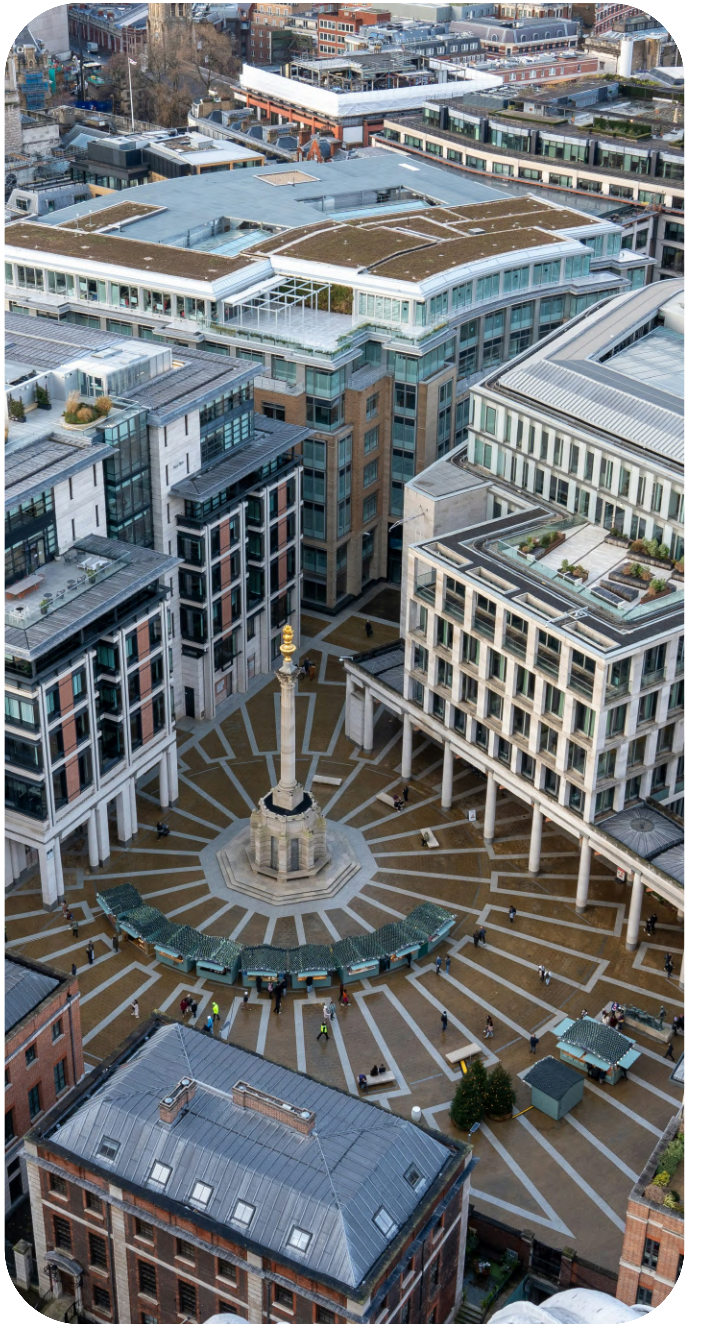
Type

3.18 There are a range of different types of office buildings in the City from modern tall buildings in the City Cluster, to mid-scale near Fleet Street and heritage assets close to Bank underground station (although all areas have a mix of office types). Whether an office is of a strategically important type will depend on a range of different site-specific considerations in relation to format, age and design.

3.19 Offices which have been built or refurbished in recent years are significantly more likely to lend themselves to being able to meet the requirements of current and potential occupiers. This can be due to their specifications meeting the requirements of occupiers, such as floor to ceiling heights, clear spans, daylight penetration and other factors. These can generally be categorised as 'modern' office types, as they have usually been built or substantially refurbished in the 21st Century. It is anticipated that these building typologies will be able to meet the needs of occupiers, and are less likely to be considered for a change of use away from office. Therefore, these forms and formats of offices are **highly likely** to be considered strategically important in the context of OF2, to be considered alongside other factors and considerations within this SPD, including location and scale.

3.20 Research finds that highly skilled workers in particular industries are drawn to places that have more historic landmarks and historic buildings as these places are perceived to be more attractive,[26] in the City this includes historic buildings that meet modern office needs. The City of London has over 600 listed buildings and many non-designated heritage assets. The historic buildings of the City of London are often attractive for occupation by firms who place a premium on heritage, authenticity and distinctiveness.[27] Offices within historic buildings can attract occupiers who seek an image of reliability and stability, such as private finance and law.

3.21 In some cases, heritage assets may present particular challenges to the maintenance of the office use, where the significance of the heritage asset could be affected by alterations required to upgrade the building to modern standards. However, under other circumstances a change of use may also mean that the significance is more likely to be conserved. Advice should be sought at an early stage from the City of London Corporation Planning (Design) team to handle the sensitives of historic buildings to facilitate their continued use.



Scale

3.22 All scales of offices are required to support a sustainable ecosystem in the City. Different sectors and sizes of occupiers will have different requirements for floorplans and layouts of their offices. Large occupiers are a critical feature of the City property market and it is therefore essential that the City's existing and future building stock can accommodate them, providing a reasonable choice for multiple occupiers. The City's smaller office stock can offer smaller unit sizes and (in some instances) a lower specification of accommodation in a prestigious location. The Square Mile should maintain a variety of scales of office space available to provide grow on office accommodation for small businesses and start ups.

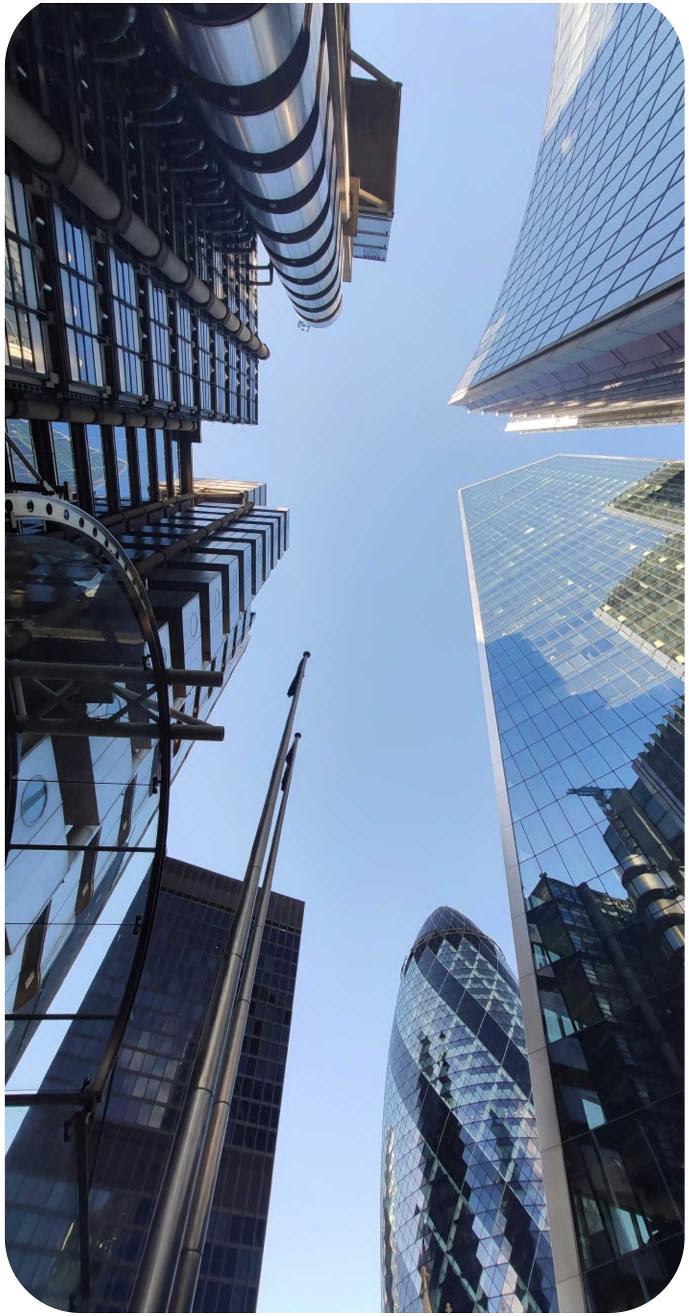
3.23 Any office building with floorspace of 5,000 sqm and greater is **highly likely** to be considered strategically important, regardless of type or location.

3.24 For offices generally between 2,500 sqm and 5,000 sqm the likelihood of being considered strategically important is informed by its location. Offices of this scale in close proximity to key transport nodes, the City Cluster KAOC/Tall Building Area, Liverpool Street KAOC/Broadgate Tall Building Area, Fleet Valley Tall Building Area, Blackfriars KAOC, Pool of London KOAC and Fleet Street and Ludgate KAOC are **highly likely** to be considered strategically important. Offices generally between 2,500 and 5,000 sqm located in the Aldgate, Tower and Portsoken KAOC and Smithfield and Barbican KAOC are **likely** to be considered strategic.

3.25 Offices in the City Cluster KAOC/Tall Building Area, Liverpool Street KAOC/Broadgate Tall Building Area, Fleet Valley Tall Building Area, Blackfriars KAOC, Pool of London KOAC and Fleet Street and Ludgate KAOC areas generally between 1,000 sqm and 2,500 sqm are **likely** to be considered strategically important. Offices in the Aldgate, Tower and Portsoken KAOC and the Barbican and Smithfield KAOC **may** be considered strategically important.

3.26 Office buildings under 1,000 sqm in size are **less likely** to be considered strategically important office space except where the site has the potential for uplift in floorspace. Potential for uplift could be through individual site development or, in some instances, through marriage value with other adjacent sites. The greater the potential of uplift, the more strategically important the site is likely to be considered. As per OF2(d), a loss of office floorspace may be appropriate at ground or below ground levels, where the proposed new uses would be complementary to continued office use on upper floors.

3.27 To ensure the right balance of supply and a diversity of size of offices, an office under 5,000 sqm **may be** considered strategically important in relation to scale in particular locations where the supply is made up of many smaller offices.



Intrepretation of Diagram 1

3.28 Diagram 1 sets out the circumstances where a site or existing office building may or may not be considered strategically important with reference to the scale, locations and types of offices. The diagram depicts arrows denoting likelihood of strategic importance for offices, covering factors of location, distance to key transport nodes, size, potential for uplift and type. The five indicators combined provide an indication of the conclusions a decision-maker may draw when determining whether a site or building is considered strategically important in the context of Policy **OF2**. For example, a site within the City Cluster Tall Building Area of over 5,000 sqm that is 250m from a key transport node and has high uplift potential is highly likely to be considered to be strategically important office space. A site within the Aldgate and Portsoken KAOC of 2,000 sqm with little uplift potential is less likely to be considered strategically important. Additionally, where the assessment process may determine that a building or site falls on the lower end of the scale of strategic importance (as featured in the Figure) for one or more factors, an assessment against a higher end of the scale for another could still indicate that a building could be considered strategically important. Diagram 1 should be read alongside all of the remainder of this SPD.

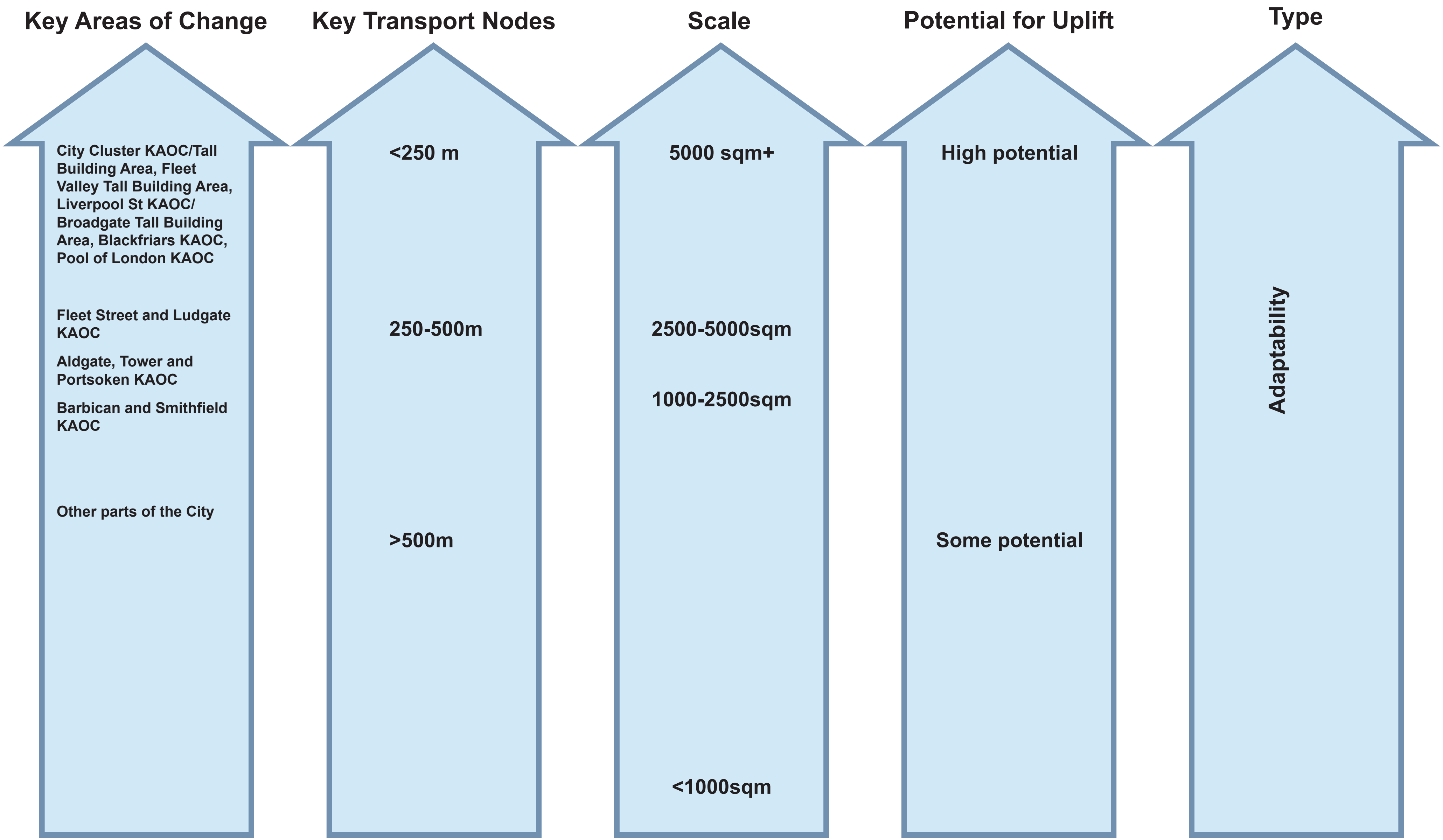


Diagram 1: Indicative representation of considerations of strategic importance

4. Theme 3: Potential for office development

4.1 Policy **OF2(1)** states that the loss of office will be resisted unless it can be demonstrated that parts A, B and C can be met. Part A makes clear that the proposed development should not result in a loss of floorspace, or sites that are strategically important. This is intended to protect the development potential of key strategic sites as well as the floorspace within a particular building. This will be considered in relation to the requirements of part B of the policy. Part B states the proposed development would not compromise the potential for office development on sites within the vicinity. A loss of office space could undermine its surroundings and impact on the required volume of office space needed to deliver the effects of agglomeration. Conversion of office space to residential could impact the ability of neighbouring sites to develop due to the impact of a new development on residential use. Conversion of office space to residential could also have negative impacts on the servicing required as commercial buildings typically service overnight.

4.2 In addition to what has been set out in the diagram and Section 3, the City Corporation will also consider other factors and features of the office accommodation in the context of potential for extension or through land assembly with other adjacent and available sites to meet future office requirements. Offices which have the ability to structurally provide uplift are likely to be considered strategically important. This typically can include buildings built between (roughly) 1960-1980 which are built with significant latent structural capacity.

4.3 Smaller sites with the potential for amalgamation with other adjacent sites which are available, or potentially available for redevelopment which could combine to deliver a larger or more efficient office building are also **likely** to be considered to be strategically important in this context.

4.4 Any site with a development potential, aligned with the policies of City Plan 2040, of an additional 2,500sqm or more is **highly likely** to be considered strategically important.

4.5 Where is it not clear from the information submitted in support of a planning application whether a site or building may have uplift potential, the City Corporation may request some additional information from the applicant.

5. Theme 4: Office demand

5.1 Policy **OF2(1C)** requires applicants to demonstrate that there is no demand in the office market, supported by marketing evidence covering a period of no less than 12 months. The marketing evidence submitted should provide a suitable justification for the lack of demand in the office market for the continuation of any form of office use.

5.2 The City Corporation will need to be satisfied that the site/building has been offered at a realistic price commensurate with the value of the site/ building for office use and that active promotion has been undertaken by the agents marketing the site over the period.

5.3 The marketing evidence needs to be evidence of effective, realistic and comprehensive marketing. The City Corporation reserves the right to validate or verify the information provided with other external sources where it considers that the information has not been provided to its satisfaction. To satisfy the requirements of policy **OF2 (1)**, the following marketing evidence should be submitted with a planning application proposing change of use from office:

12 months of continuous marketing of the building or most recent scheme approved.

- The marketing timeframe should be included in the report, including the start date. This would normally be 12 months preceding the pre-application or submission of an application.

Details on the condition, quality, location and scale of the building relative to the local market for such space. This should include commentary on.

- Any particular features, quality of layout that would make the building unattractive, unsafe or inaccessible to tenants and that cannot be reasonably addressed through refurbishment or retrofit.

Where the site has been marketed (reputable local or national platform) and at a rent which is appropriate to the local market for such space, this will include:

- Consideration for how the marketed rents are commensurate to the location and quality.

Information on current and most recent levels of business occupation across all floors, and the reasons for the entirety or parts of the building becoming vacant or underutilised. This should include:

- Sectoral analysis and the size of business.

Schedule of interest showing the number and details of enquiries received, such as the number of viewings and advertised rent at the time;

The proposed uses and comments from prospective purchasers or tenants on why interest was not pursued (including as to the suitability of continued office use);

Explanation on the marketing strategy to different sectors, outlining which sectors were approached as potential occupiers and when, and the reasons why a site or location may or may not be appropriate or suitable to these sector;

A description of how the property has become vacant;

Where there is an existing employment use then evidence will be required that the tenant(s) intends to move out, why they are leaving and where they are locating to.

6. Theme 5: Viability

6.1 Once all **OF2(1)** has been satisfied, proposals may follow route **2a** Viability tested route. In City Plan 2040, **OF2 (2a)** Viability tested route: Proposed development will be required to demonstrate that the retention, refurbishment or reprovision of the office floorspace would not be viable in the longer term, demonstrated by a viability assessment.

6.2 The economic viability of development is an important consideration for the retention of office floorspace. Paragraph 6.1.7 of London Plan 2021 states:

> "Evidence to demonstrate surplus office space should include strategic and local assessments of demand and supply, and evidence of vacancy and marketing (at market rates suitable for the type, use and size for at least 12 months, or greater if required by a local Development Plan Document). This evidence should be used to inform viability assessments."

6.3 Policy **OF2(2a)** sets out that information in the viability assessment should demonstrate why continued office use is unviable:

- site description;
    - Details on the condition, quality, location and scale of the building.
    - Particular features, quality of layout that would make the building unattractive, unsafe or inaccessible to tenants;
    - Location and nearby uses;
- information from the marketing evidence setting out why it has not been successful;
    - rents;
    - sectors pursued;
- the total costs of maintaining the building over the short to medium-term;
    - Short term- will mostly be considered up to 5 years
    - Medium term will normally be considered to be 6 to 15 years in the future
- the costs of refurbishing the existing building to bring it up to (and maintain it in) a lettable condition. The viability assessment should include a development appraisal of the following scenarios:
    - Minimum necessary refurbishment
    - Refurbishment to high quality Grade A
    - Redevelopment and potential extension to reflect the building envelope of the Applicant's proposed development
- the costs and practicalities of refurbishing or redeveloping the building for office use. This assessment should identify specific physical attributes of the existing building and/or of the Site which would prevent limitations being overcome by a refurbishment or redevelopment. Costs should be supported by a detailed cost estimate provided by a qualified quantity surveyor;
- information on rents and capital values of similar office buildings to the subject and comparable evidence of refurbished and new build offices;
- target rates of return (profit on GDV, profit on cost and IRR);
- a valuation of the building in its existing use as an office, ignoring the hope value of an alternative use. Benchmark Land Value should be assessed on the basis of a valuation of the existing building assuming a 'do nothing' scenario moderated by the values per square foot achieved on transactions of similar buildings;
- sensitivity testing of main appraisal inputs (rents, yields and costs) to support the robustness of the findings.

6.4 Where an applicant submits viability and market evidence, the City Corporation will normally appoint an independent and suitably qualified individual or company to review the evidence and provide independent advice to the City Corporation. The City Corporation will expect the applicant to meet the cost of this independent assessment. The City Corporation will have regard to the recommendations of this independent assessment when determining the planning application.

7. Non compliance with the policy

7.1 This SPD provides guidance on the application of Policy **OF2** of the City Plan 2040. The City Corporation envisages that applicants will follow this guidance and put forward development proposals in line with Policies **S4** and **OF2**. It is recognised, however, that proposals might be put forward that seek change of use of offices that are considered to be strategically important (as defined in this SPD. In considering such applications, it may be requested that a justificatory statement is provided in relation to the proposed change of use and how it relates to the overall planning balance of the scheme, alongside a viability assessment (including third party review). Such cases will be considered on their own merits, against the requirements of the development plan and any relevant material considerations. It will be up to the decision-maker, in considering the application, to determine whether the application complies with the development plan when taken as a whole, and/or whether there are material considerations that indicate that it should be determined otherwise.

8. Measuring outcomes

8.1 This SPD covers applications on office change of use across the entirety of the City. For an application for change of use a Planning Statement with justification, marketing evidence and a viability assessment will be reviewed by decision-makers.

8.2 The City Corporation will report on the outcomes of Policies **S4** and **OF2** and this SPD through the production of an annual position statement on office delivery. This will compare the identified deliverable supply of new office floorspace, changes of use away from office against the office floorspace requirement for the next five-year period. The Corporation will keep under review the policies in the Plan and this SPD and provide additional guidance if required.

9. Glossary

Agglomeration

- Firms and workers get benefits from locating close one another. This geographic concentration of economic activity is often referred to as agglomeration and these benefits as agglomeration benefits or agglomeration economies.

BREEAM

- The Building Research Establishment Environmental Assessment Method (BREEAM) is a sustainability assessment method that sets standards for the environmental performance of buildings through the design, specification, construction and operation phases and can be applied to new developments or refurbishment schemes. It focuses on sustainable value across range of categories: energy; land use and ecology; water; health and wellbeing; pollution; transport; materials; waste; management.

City Plan 2040

- Document setting out the statutory local plan, including the strategy, vision and policies and proposals for planning the City.

Grade A office space

- New or refurbished space that meets the criteria of the BCO Office Specification. Typical building ratings include EPC B, Wired Scored Platinum, and BREEAM Excellent.

Heritage Asset

- The NPPF defines a heritage asset as being a 'building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest'.

Tall Building Areas

- Tall building areas are identified on the Policies Map in City Plan 2040. City Plan policy S12 and figure 14 identify the City Cluster, Fleet Valley and Broadgate as tall building areas.

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A. Appendix 1: How this SPD was developed

A.1 The existing Office Use SPD was adopted in 2015 and has been used alongside Local Plan 2015. To support the implementation of City Plan 2040, this SPD is being developed to align with the policy approaches and will wholly replace the Office Use SPD 2015.

A.2 At the outset of developing the SPD, a comprehensive literature review on a variety of topics was completed. The Bibliography in this SPD includes reports and papers written by the City Property Association, Centre for Cities, Greater London Authority, British Council for Offices, Historic England, CBRE, ARUP and the City's neighbouring boroughs. This review focussed on four key areas:

- Office stock and market trends
- Change of use
- Areas of strategically important scale, type and/or location
- Viability

A.3 The literature review identified what occupiers are looking for in new offices and insights into how developers deliver office schemes, but there was a lack of research specifically into workers' experiences. As a result, individual interviews were undertaken to understand the priorities and experiences of City workers. Interviews were undertaken with a cross-section of City workers from eight different sectors: insurance, financial services, media and communications, architecture and engineering, technology, real estate, law, and public administration. A range of ages and genders of City workers across office based sectors has provided a cross section into the life of workers to inform the Offices SPD.

A.4 Individual research interviews were also conducted with marketing agents to understand the processes and approaches of marketing City offices for rent or sale.

A.5 A roundtable session was held with developers and planning agents who work across office and change of use schemes. Feedback was provided from developers and planning agents about what works in the current planning application process for change of use and what doesn't work. The roundtable focussed in on their priorities, challenges and opportunities for investing in offices in the City.

A.6 Engagement on the Offices SPD, and other planning guidance undertaken in autumn 2025 can be read in the engagement summary "What We Heard" published February 2026. The Consultation Statement and Regulation 13 spreadsheet summarise Regulation 13 representations received in April 2026.

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