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Business Space 2025 review

Reading Office Market Commentary

After another strong performing year in 2025, we have summarised our thoughts on how the Reading office market performed over the last 12 months below.

Wider context

The broader economic backdrop remained testing for the UK office market during 2025. Despite some signs of slightly improved economic conditions, with slight falls in inflation and lower interest rates towards the end of last year; the impacts of wider macro-economic and geo-political events, this continued to typically impact occupier and investor confidence, also fuelling a sense of ongoing business caution.

Enhanced 2025 performance:

Total office take-up for the greater Reading market (comprising all office transactions in Reading town centre plus the out- of-town areas and business parks on the M4 junctions of 10,11 &12) exceeded 600,000 sq ft in 2025. This was the highest take-up level reported for the last 5 years, and notably higher than 2024's total take-up of approx. 570,000 sq ft.

The Reading Office market saw fairly consistent letting activity levels throughout last year, although there was higher take-up reported in Q2 and Q3 and slightly reduced activity in Q4 2025.

Reading's strong strategic location (widely referred to as the capital of the Thames Valley region) clearly remains in demand from a wide range of occupiers, perhaps most notably including the defence, science/tech and energy sectors last year. This location continues to appeal to occupiers seeking easy access to public transport, diverse connectivity and solid demographics.

We have continued to see office occupiers typically favouring higher quality buildings, with excellent amenities and strong ESG credentials- as evidenced by stronger letting activity on new/ refurbished spaces across Reading town centre and in the larger business parks. An ongoing tend of larger occupiers seeking to downsize and consolidate their space also remains evident.

There is still an element of polarisation in headline rental levels reported locally. Whilst rental levels for some of the highest quality amenity-rich space in Reading, such as Station Hill, or Green Park, appear to have been upheld, contrastingly rents have typically been lower on the majority of older buildings with more challenging vacancy levels.

Headline rental levels have grown, with best-in-class space across greater Reading

market typically ranging from prime rents of c.£38.50 per sq ft up to mid-£50's per sq ft for brand new space at Station Hill.

We have also seen reducing levels of supply starting to become more evident in certain sub-sections of the market, such as larger town centre office space (>10,000 sq ft) closer to Reading Station for instance. This follows improved take-up of the highest quality Grade A space as well as a continuing attrition of some older stock withdrawn from the wider market pending redevelopment for alternative use.

Larger Deals and Out of Town prevalence

In direct contrast to 2025, letting activity in Reading was more weighted towards the out-of-town locations, rather than the town centre in 2025.

Out of town Reading locations attracted just over 60 % of all deals done. This was largely driven by the three of the largest deals of the year- Global Combat Air Programme, Amentum Clean Entergy and Boehringer Ingelheim who collectively acquired over 226,000 sq ft at Green Park, Arlington, and Winnersh Triangle business parks respectively.

We also saw a notable number of bigger lettings in 2025. Transactions of over 10,000 sq ft accounted for approx 64% of total take up, including an array of larger occupier moves (comprising 7 deals of over 20,000 sq ft).

The defence, tech/science and energy occupier sectors were among the most active in 2025, which all remain well represented in the Reading market.

Development Pipeline:

Occupiers seeking prime office space in more established locations across the region are still often faced with increasingly limited choice, and rising rents for best-in-class space, depending on their scale and specific search criteria.

Given the ongoing challenges posed by rising construction costs, interest rates and inflation, there are currently no signs of additional major 'new starts' or large scale refurbishments for the year ahead.

The strong take up of One Station Hill during 2025 (with over 70% now let) was a very positive sign of occupier appetite for best-in-class space in Reading. However, we understand that the potential delivery of further phases of this scheme remains under review for now, pending residual take-up and wider market conditions in due course.

Looking ahead:

Clearly the UK economic outlook, wider business confidence and general market sentiment may remain contingent upon some of the latest macro economic and geo-political events being resolved swiftly- not least the current oil crisis prompted by the Iran war.

However, following another year of improving take-up in 2025, we have perceived a cautiously optimistic outlook for the greater Reading market at the start of 2026.

Occupiers need to remain mindful of anticipating their future office requirements and take expert professional advice well in advance of lease events, especially given the narrowing of Grade A supply in some size brackets and an absence of any new supply of scale in the pipeline.

Landlords continuing to undertake well-informed investment in their buildings, to create high-quality and amenity-rich office space, should continue to benefit from better letting outcomes.

To review more of our latest views and insights on the local market, please feel free to get in touch with us, or see : https://www.hicksbaker.co.uk/articles/

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