# Developers invest £3.5bn converting neglected UK offices into homes, hotels, and labs



Developers have invested nearly £3.5 billion in converting neglected office buildings across the UK within the past three years, as the demand for traditional office space continues to dwindle. This significant financial commitment is reflective of a larger trend where developers are repurposing outdated properties into hotels, homes, laboratories, and student accommodation, marking a transformation in the country's commercial property landscape.

Recent statistics from property consultancy CBRE reveal that from 2022 to 2024, developers acquired approximately 5.9 million square feet of office space for repurposing—an area roughly equivalent to 12 Gherkin buildings. This shift underscores the reimagining of so-called secondary office space as it adapts to the requirements of burgeoning sectors, moving away from its original purpose as workplaces. Colin Thomasson, head of UK investment properties at CBRE, commented on this trend, noting that repurposing assets into “multifaceted spaces” in areas where office demand has weakened, offers a viable solution to an evolving market.

In various regions, the focus of these conversions often reflects local demand. In cities such as Bristol, Leeds, and Glasgow, residential transformation predominates—evident by a rising necessity for city-centre living that continues to outstrip supply. Conversely, Edinburgh is witnessing a surge in hotel conversions, as tourism rebounds post-COVID. Notable developments include Premier Inn-owner Whitbread’s acquisition of five office buildings, such as Capital House, for £21 million to be redeveloped for hotel use.

The trend is not uniform across the UK; in Birmingham, educational institutions are repurposing office sites for academic purposes. Aston University, for instance, has committed £25 million to convert the former Birmingham City Council headquarters into facilities for its business, law, and science schools, a move that echoes a national strategy to enrich local educational infrastructure.

Meanwhile, in the "Golden Triangle" encompassing London, Cambridge, and Oxford, there is a pressing need for laboratory space to accommodate the burgeoning life sciences sector. Developers in these areas are converting old offices into labs amidst this critical shortfall, coinciding with a wave of private equity and institutional investments aimed at bolstering the UK’s innovation economy.

The ongoing transition away from traditional office environments was hastened by the pandemic, radically altering workplace dynamics. Companies are increasingly pursuing modern, sustainable, and well-located office spaces that can attract top talent, leaving behind a surplus of “secondary” office stock that is generally older, less energy-efficient, and situated in less desirable locations. Simon Brown, head of UK office research at CBRE, remarked on this demand for quality, pointing out the difficulties occupiers face in sourcing prime office space, thereby presenting a valuable opportunity for those willing to refurbish rather than construct anew.

As developers adapt to the shifting landscape, they are often faced with the choice between complete conversions or selective modernisation of existing properties. This decision may be influenced by the rising costs associated with new constructions, making retrofitting a financially attractive alternative.

CBRE's findings articulate a growing dichotomy within the office market: the high demand for new, environmentally sustainable buildings versus outdated stock that fails to meet modern occupier expectations. The billions of pounds pouring into the revitalisation of these secondary office spaces suggest not just a shift in commercial property strategy but a fundamental transformation aimed at realising urban potential for a changing society.

Whether resulting in student housing in Glasgow, hotels in Edinburgh, laboratory spaces in Cambridge, or new homes in Leeds, the repurposing of the UK’s neglected office blocks indicates a strategic reallocation of resources. This evolution within the real estate market signals a promising future as developers rise to the occasion, transforming unwanted office spaces into valuable community assets.

## Reference Map:

* Paragraph 1 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[6]](https://www.bisnow.com/london/news/office/offices-are-ok-118766)
* Paragraph 2 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[3]](https://www.theguardian.com/society/2025/jan/05/office-to-homes-conversions-london-blocks-hold-fresh-allure-since-shift-to-home-working), [[6]](https://www.bisnow.com/london/news/office/offices-are-ok-118766)
* Paragraph 3 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[2]](https://www.thisismoney.co.uk/money/markets/article-12666097/Could-turning-unused-office-space-flats-help-solve-housing-shortage.html), [[5]](https://www.theguardian.com/business/2024/sep/29/back-to-the-office-say-bosses-thank-goodness-for-that-say-property-firms)
* Paragraph 4 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[3]](https://www.theguardian.com/society/2025/jan/05/office-to-homes-conversions-london-blocks-hold-fresh-allure-since-shift-to-home-working), [[6]](https://www.bisnow.com/london/news/office/offices-are-ok-118766)
* Paragraph 5 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[2]](https://www.thisismoney.co.uk/money/markets/article-12666097/Could-turning-unused-office-space-flats-help-solve-housing-shortage.html), [[6]](https://www.bisnow.com/london/news/office/offices-are-ok-118766)
* Paragraph 6 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[4]](https://www.bbc.com/news/articles/c75ze4k56vlo), [[5]](https://www.theguardian.com/business/2024/sep/29/back-to-the-office-say-bosses-thank-goodness-for-that-say-property-firms)
* Paragraph 7 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[2]](https://www.thisismoney.co.uk/money/markets/article-12666097/Could-turning-unused-office-space-flats-help-solve-housing-shortage.html), [[7]](https://www.ft.com/content/3f8e5eab-0ba8-4b89-9ca0-b10909c733af)
* Paragraph 8 – [[1]](https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/), [[3]](https://www.theguardian.com/society/2025/jan/05/office-to-homes-conversions-london-blocks-hold-fresh-allure-since-shift-to-home-working)

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## Bibliography

1. <https://bmmagazine.co.uk/news/developers-have-spent-3-5-billion-buying-unloved-office-blocks-across-the-uk-in-the-past-3-years/> - Please view link - unable to able to access data
2. <https://www.thisismoney.co.uk/money/markets/article-12666097/Could-turning-unused-office-space-flats-help-solve-housing-shortage.html> - This article discusses the potential of converting unused office spaces into residential flats to address the UK's housing shortage. It highlights that, during the first two years of the COVID-19 pandemic, office space equivalent to 487 football pitches was removed from the UK market. The piece also notes that, between 2022 and May 2023, £1.3 billion worth of offices in Central London were purchased for conversion into other uses. The article further explores the challenges and benefits of such conversions, including the impact on local communities and the planning system.
3. <https://www.theguardian.com/society/2025/jan/05/office-to-homes-conversions-london-blocks-hold-fresh-allure-since-shift-to-home-working> - This article examines the growing trend of converting office buildings into residential units in London, driven by the shift to home working. It reports that about 9% of offices across London are currently empty, with vacancy rates varying across different areas. The piece discusses the challenges and considerations involved in such conversions, including the suitability of building designs and the impact on local communities. It also highlights the role of permitted development rights in facilitating these changes and the potential benefits for addressing housing shortages.
4. <https://www.bbc.com/news/articles/c75ze4k56vlo> - This BBC News article reports that, in 2024, no new office blocks were completed in Belfast city centre, marking the first time in nearly a decade that this has occurred. The piece attributes this decline to the rise of remote working during the pandemic, leading to reduced demand for office space. It also notes that construction has begun on a new headquarters for the Kainos IT firm, the first new-build office start since 2020, indicating a potential shift in the market.
5. <https://www.theguardian.com/business/2024/sep/29/back-to-the-office-say-bosses-thank-goodness-for-that-say-property-firms> - This article discusses the return of employees to office spaces in the UK, with companies like Santander and PwC implementing policies to encourage in-person work. It highlights the challenges faced by the office property market, including a 20% decline in office valuations between 2022 and 2024 and rising vacancy rates. The piece also explores the impact of hybrid working models on office demand and the broader implications for the commercial property sector.
6. <https://www.bisnow.com/london/news/office/offices-are-ok-118766> - This article explores the resilience of the UK office market, noting that prime office rents in cities like Birmingham, Bristol, Leeds, and Manchester have been rising due to limited availability. It discusses the challenges faced by developers, including rising construction costs and economic uncertainties, and highlights the trend of repurposing older office buildings into residential units or hotels to meet changing market demands.
7. <https://www.ft.com/content/3f8e5eab-0ba8-4b89-9ca0-b10909c733af> - This Financial Times article addresses the challenges faced by Canary Wharf, a major business district in London's Docklands, as companies relocate to the City of London. It discusses the need for a comprehensive transformation of Canary Wharf, including demolishing some structures, enhancing open spaces, and promoting residential and civic amenities to create a vibrant neighbourhood. The piece also highlights the importance of financial support from major shareholders for this transformation.