

Meta pays £149m to break lease on central London office building

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Facebook's parent company, Meta, has paid £149m to break its lease on a central London office building, in the latest sign of large corporates cutting back on workspace amid the post-pandemic boom in hybrid working. The decision comes just two years after the tech firm committed to occupying the site owned and recently redeveloped by British Land at 1 Triton Square near Regent's Park. The London-listed property company, which owns the eight-storey building, said in a trading update that Meta had surrendered the lease for one of two buildings it rents in the same development. British Land told investors this would knock its earnings for the six months to next March, but added that it was hoping to "reposition" its Regent's Place development as a home for life sciences. The tech company, which also owns Instagram and WhatsApp, had not moved into the newly renovated Triton Square office building and it was reported late last year that it was looking to sub-let the 310,000 sq ft (29,000 sq metre) space. Analysts at investment bank Peel Hunt estimated that Meta's £149m payment represents "about seven years of rent against the 18 years outstanding on the lease". They added that British Land would experience a "short-term earnings impact from the loss of rent" but concluded the company could find a new tenant willing to pay a higher level of rent. Simon Carter, the firm's chief executive, said in a statement that Meta's withdrawal enabled the company to "accelerate our plans to reposition Regent's Place as London's premier innovation and life sciences campus". The move is just the latest example of a large company recalibrating what size and type of office they require following the pandemic. HSBC became another large institution opting to reduce floorspace as part of its response to the shift to hybrid working arrangements and a cost-cutting drive when it announced in the summer that it intended to move out of its global headquarters in Canary Wharf. After more than two decades in the capital's eastern financial district, the bank is planning to move to considerably smaller offices in the City of London before its current lease expires in early 2027. Many large organisations are still trying to work out how to balance bringing staff together in person with employees' demands for some continued remote working following the pandemic. The big tech firms are among those leading the charge of companies battling to push workers back to their desks for more of the working week. Meta, along with Amazon and Google, have ordered employees to return to the office for most of the week, as have several large financial institutions.