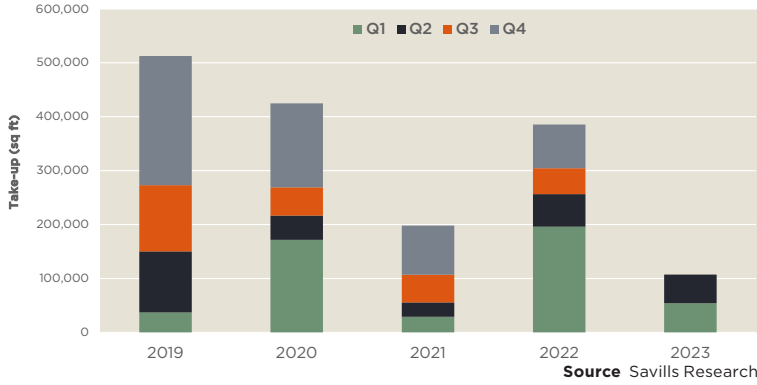


Aberdeen Occupational Office Data H1 2023



Aberdeen Office Market Round-Up

Take-up



H1 take-up totalled 107,000 sq ft. This was below the 10-year average, but demand was spread across 32 completed transactions which was in line with the long-term average H1 deal count. The largest deal in H1 was the 14,000 sq ft acquisition by Genesis Oil & Gas Consultants at 26 Albyn Place.

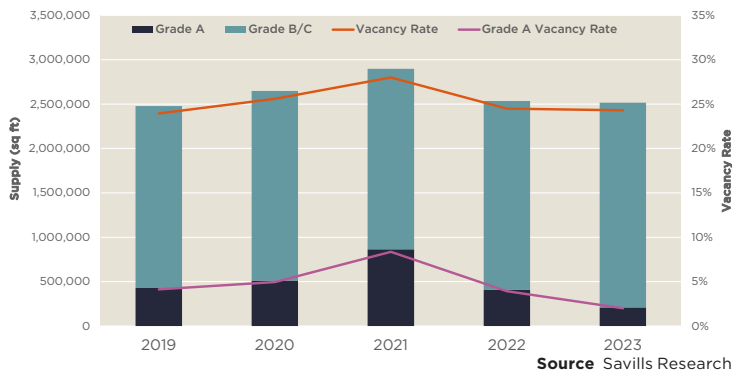
Grade A take-up totalled 24,000 sq ft in the first half of the year which was spread across 4 transactions. This was in line with the 10-year average H1 deal count for the Aberdeen market.

Take-up and supply Key data points



Q2 2023 take-up was 12% down on Q2 2022

Supply



Total supply remained broadly unchanged in the first six months of 2023, standing at 2.5m sq ft at half year end. Grade A availability decreased by a significant 49% over the same period as demand for the best quality space remained resilient. This means that 92% of availability is for secondary space, much of which may struggle to let without refurbishment.

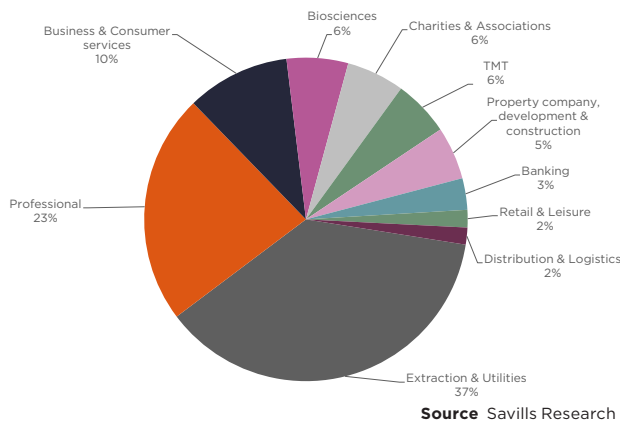
The total vacancy rate for the market now stands at 24.3%, with Grade A vacancy totalling just 2%, the lowest figure that Savills has on record for Aberdeen.



32

Completed transactions in H1 2023 which was in line with the long-term H1 average

Take-up by business sector



'Extraction & Utilities' was the most active sector in H1 2023, accounting for 37% of total take-up. This was a continuation of the resilient demand seen from the sector which has been the most active in each of the last five years.

Elsewhere, it was strong first half for 'Professional' as the sector recorded 23% of total take-up. 'Professional' occupiers were the most active in the Grade A market, accounting for 75% of the completed Grade A deals in H1.



14,000 sq ft

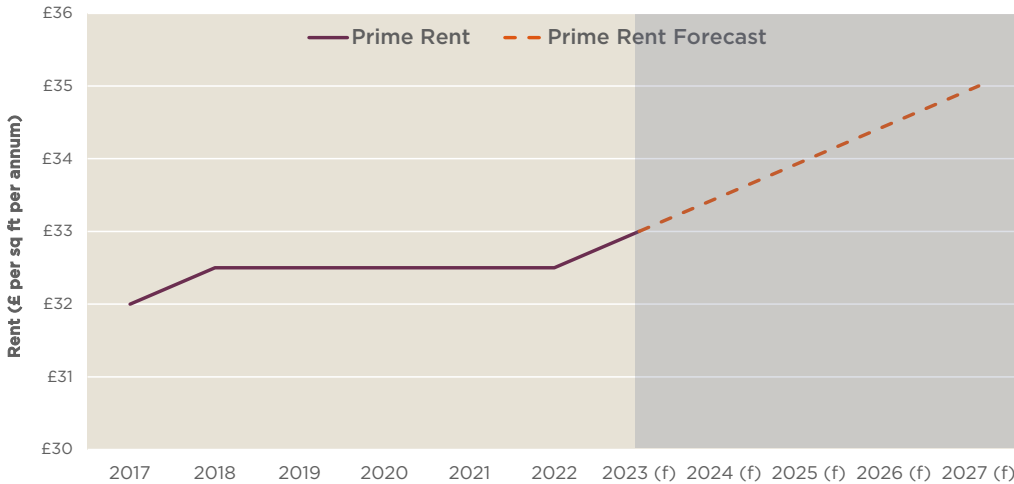
Largest letting in H1 2023 to Genesis Oil & Gas Consultants at 26 Albyn Place



75%

Grade A transactions in H1 2023 were from 'Professional' occupiers

Rents



Source Savills Research

There was no change in the Prime rent in H1 2023 which currently stands at £32.50 per sq ft. This means that there has not been Prime rental growth in the market since 2017. However, Savills is expecting rental growth in the second half of the year, with most recent forecasts projecting 2% growth to £33 per sq ft in 2023 with further growth of 6% to £35 per sq ft expected by the end of 2027.

Drivers For Growth



52%

Working age population with a NVQ level 4 or above qualification



229,000

Current population in Aberdeen



3rd

In the UK for fewest poor air quality days a year

Source Centre for Cities

Key Market Data

	Data	Comparison to H1 2022	Comparison to H1 2019
Take-up H1 2023 (sq ft)	107,100	-58%	-29%
Grade A Take-up H1 2023 (sq ft)	24,509	-84%	-38%
Deal Count H1 2023	32	-14%	-6%
Average Deal Size (median) (sq ft)	2,394	-8%	-7%
5-Year Average H1 Take-Up (sq ft)	170,133	-	-
H1 Supply (sq ft)	2,516,097	-3%	-7%
H1 Grade A Supply (sq ft)	209,362	-74%	-68%
Prime rent (£ per sq ft per annum)	£32.50	No change	No change

Source Savills Research

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