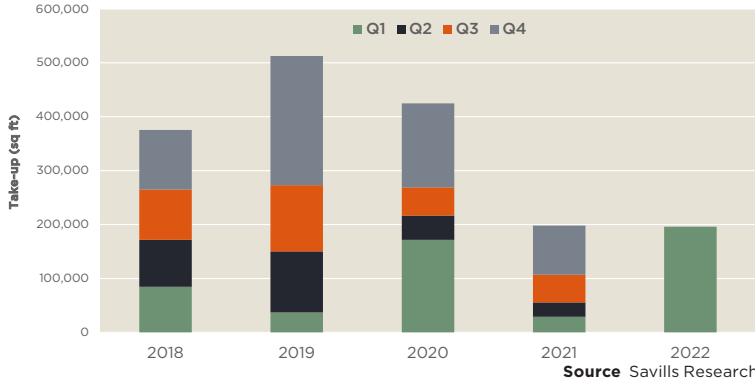


Aberdeen Occupational Office Data Q1 2022



Aberdeen Office Market Round Up

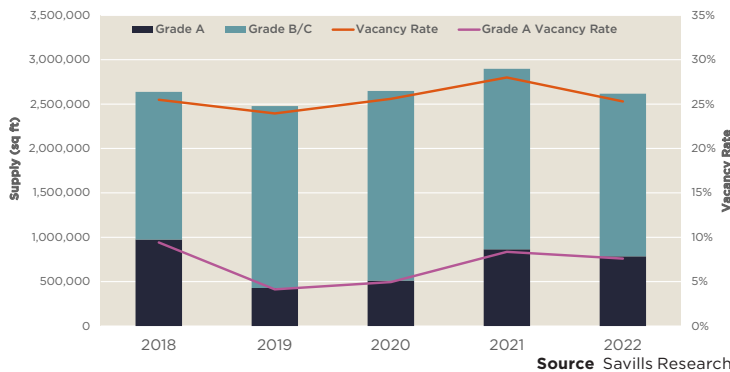
Take-up



Q1 2022 take-up, totalling 196,000 sq ft, was an increase of 115% on the Q4 2021 total. Furthermore, this was the highest Q1 total in the last 10 years, and a significant 95% above the 5 year Q1 average. Overall, this represents a strong bounce-back after a difficult 2021 in terms of market activity. After just one full quarter, 2022 take-up is only 1% below the annual total for 2021.

Grade A take-up, totalling 129,000 sq ft, equated to 66% of Q1 take-up. In terms of proportion of total take-up, this was 45% above the 5 year Q1 average Grade A proportion.

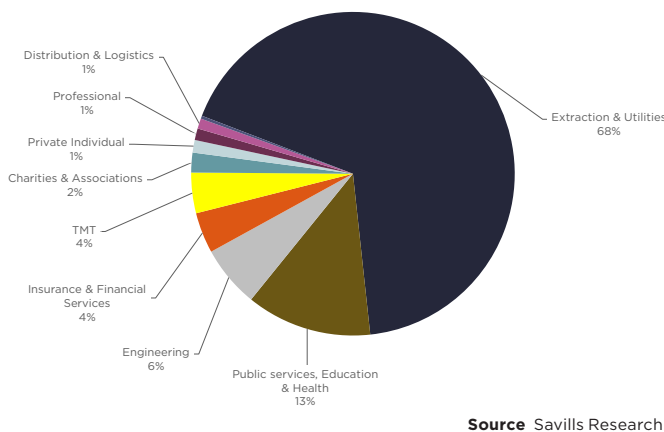
Supply



Total supply decreased by 7% in Q1 2022 to a total of 2.6 million sq ft. Furthermore, Grade A supply also decreased by 9% to 785,000 sq ft. This is the lowest level of total available supply since 2019 and is in line with the 5 year average for the market.

The total vacancy rate decreased by 1.9% to 25.3% in Q1 2022. Additionally, Grade A vacancy rate increased by 0.8% to 7.6% at the end of the quarter.

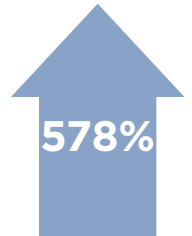
Take-up by business sector



The 'Extraction & Utilities' sector was the most active in Q1, accounting for 68% of total take-up. This included the 100,000 sq ft acquisition at the Silver Fin Building by Shell.

Elsewhere, it was also a strong start to the year for 'Public services, Education & Health' who took a 13% share of overall take-up. This included an 18,000 sq ft letting to North Sea Transition Authority at Marischal Square.

Take-up and supply Key data points



Q1 2022 take-up represented an 578% increase on Q1 2021



3

Grade A lettings in Q1 2022. This is a 200% increase on Q1 2021

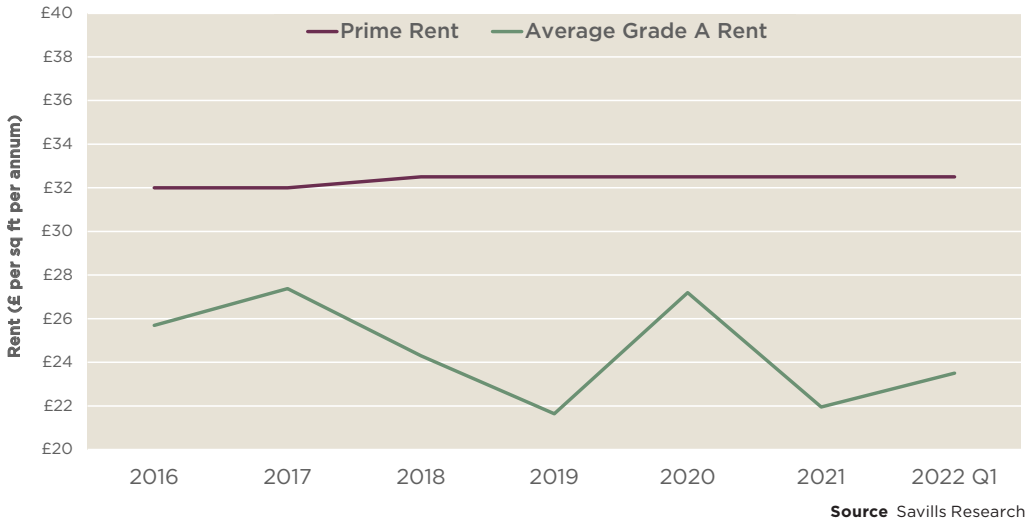


100,000 sq ft
Largest deal in Q1 2022



'Extraction & Utilities' sector has been the most active in every year since 2018

Rents



The prime rent remained stagnant in the first quarter of 2022, which currently stands at £32.50 per sq ft. Between 2016 and 2022, prime rent has grown by 3.2% in the Aberdeen market. That being said, average Grade A rents have fluctuated during this period, reaching a high of £27.38 per sq ft in 2017 and hitting a low of £21.64 in 2019. In Q1 2022, average Grade A rents increased to £23.50 per sq ft, which suggests there is cause for optimism and potential for further growth in the coming months.

Drivers For Growth



9%

Expected GVA growth in Aberdeen over the next 5 years



5%

Expected employment increase in Aberdeen over the next 5 years



1,600

New jobs in the professional, tech and scientific sector in the city in the next 10 years

Source Oxford Economics

Key Market Data

	Data	Comparison to Q1 2021
Take-up Q1 2022 (sq ft)	195,905	+578%
Grade A Take-up Q1 2022 (sq ft)	129,260	+1050%
Average Deal Size (sq ft)	8,163	+154%
10-Year Average Q1 Take-Up (sq ft)	115,712	-
5-Year Average Q1 Take-Up (sq ft)	100,468	-
Q1 Supply (sq ft)	2,617,466	+1%
Q1 Grade A Supply (sq ft)	784,823	+77%
Years of Supply*	6.9	-
Prime Rent	£32.50	0

*calculated by dividing total supply by 5-year average annual take up

Source Savills Research

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