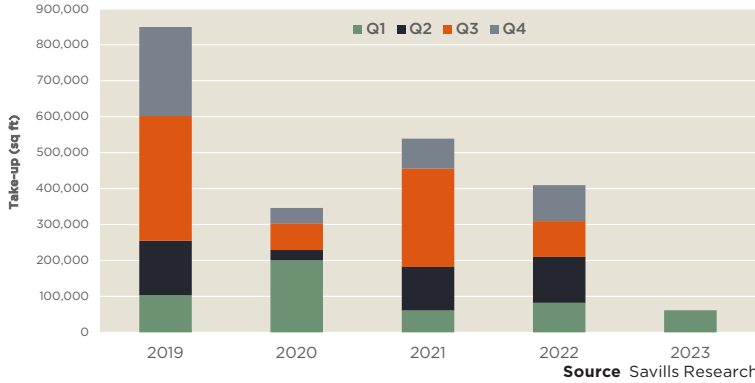


Aberdeen Occupational Office Data Q1 2023



Aberdeen Office Market Round-Up

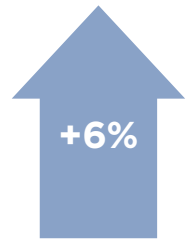
Take-up



Q1 2023 take-up totalled 54,000 sq ft across 17 transactions. This was 6% above the 10-year average for the number of completed Q1 deals in the Aberdeen market.

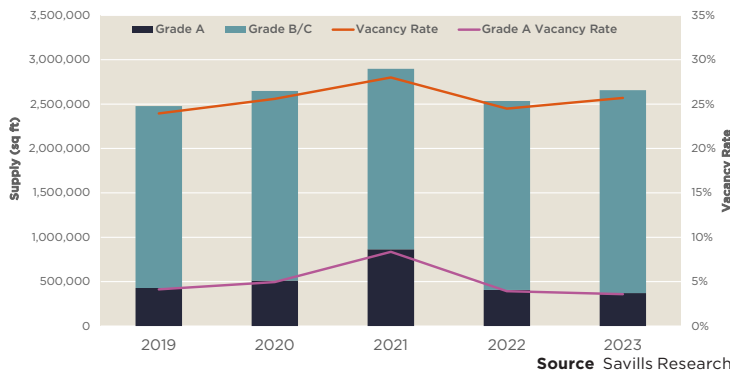
The largest deal in Q1 was the 10,000 sq ft Grade A letting to Xodus Group at The Capitol Building. This was the only deal over 10,000 sq ft in a quarter which saw the majority of its activity driven by lettings in the smaller size bands.

Take-up and supply Key data points



Increase in Q1 2023 deal count compared to the 10-year Q1 average

Supply



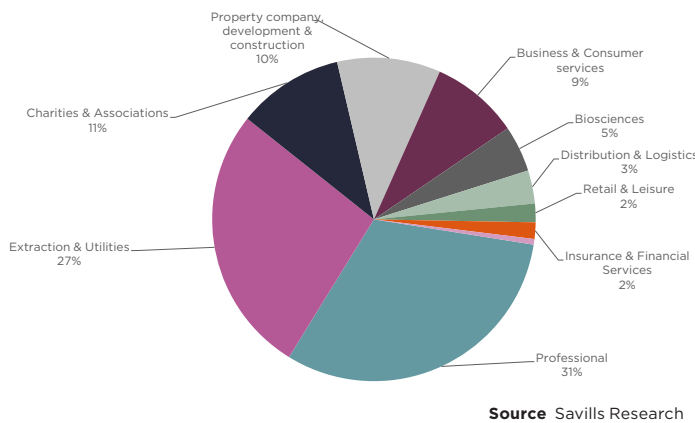
Total supply stood at 2.66 million sq ft at the end of Q1. This represented a 5% increase in the first quarter of 2023. Of this total, 86% was for Grade B/C space. Savills believes that a large proportion of this secondary stock may become obsolete without refurbishment.

Grade A supply stood at 370,000 sq ft at the end of Q1 which represented a 9% decrease on the Q4 2022 total. This is further evidence of the continuing flight-to-quality in the market and sees the Grade A vacancy rate fall a further 30 basis points to just 3.6%, the lowest figure that Savills has on record for Aberdeen.



17 Completed transactions in Q1 2023

Take-up by business sector



The 'Professional' sector was the most active sector in Q1 accounting for 31% of overall take-up. This was spread across 3 deals, the largest being Xodus Group's 10,000 sq ft acquisition at the Capitol Building.

Elsewhere, 'Extraction & Utilities' continued its strong 2022 performance with 27% of total take-up in Q1 2023. This included lettings to Rosen at 42 Albyn Place and Anasuria Operating Company at H1, Hill of Rubislaw.

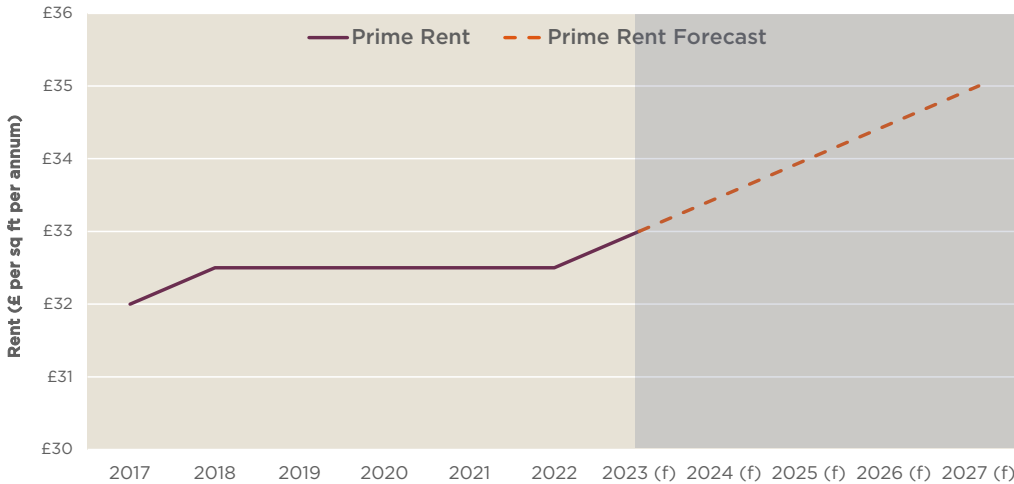


10,000 sq ft Largest letting in Q1 2023



3 'Professional' sector lettings completed in Q1 2023

Rents



Source Savills Research

There was no change in the Prime rent in Q1 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. That being said, Savills fully expects that there is further room for growth, 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 Q1 2022	Comparison to Q1 2019
Take-up Q1 2023 (sq ft)	54,009	-25%	-40%
Grade A Take-up Q1 2023 (sq ft)	11,691	-91%	+125%
Deal Count Q1 2023	17	-29%	+13%
Average Deal Size (median) (sq ft)	1,857	-15%	+86%
5-Year Average Q1 Take-Up (sq ft)	103,594	-	-
Q1 Supply (sq ft)	2,656,260	+1%	No change
Q1 Grade A Supply (sq ft)	371,109	-53%	-50%
Prime rent (£ per sq ft per annum)	£32.50	No change	No change

Source Savills Research

Savills team

Please contact us for further information

Dan Smith

Director
Office Agency
01224 971 134
dan.smith@savills.com

Ben Clark

Surveyor
Office Agency
01224 971 123
ben.clark@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

George Roberts

UK Office Analyst
Commercial Research
020 7016 3790
george.roberts@savills.com

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

