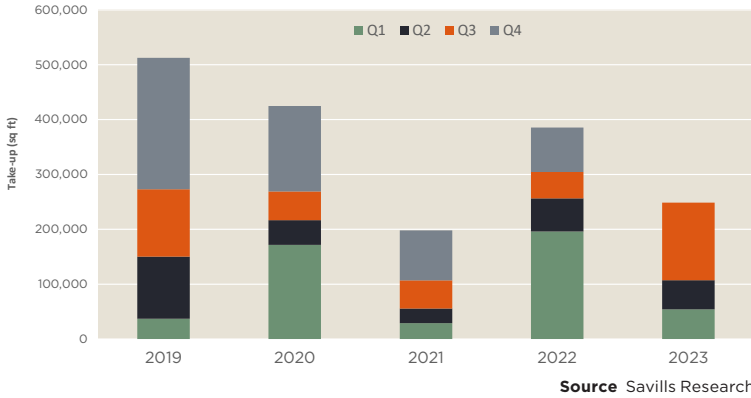


# Aberdeen Occupational Office Data Q3 2023



## Aberdeen Office Market Round-Up

### Take-up

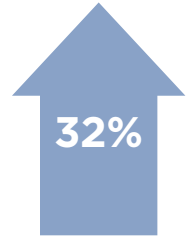


Q3 2023 take-up in Aberdeen totalled 141,000 sq ft. This was over three times the amount achieved in Q3 2022 and the best quarter so far in 2023, surpassing 2023 H1 take-up by 32%.

Demand was spread across 29 completed transactions which was 70% above the long-term average Q3 deal count. The largest deal in Q3 2023 was a management agreement of 21,000 sq ft to IWG at Pavillion one, Westpoint Business Park.

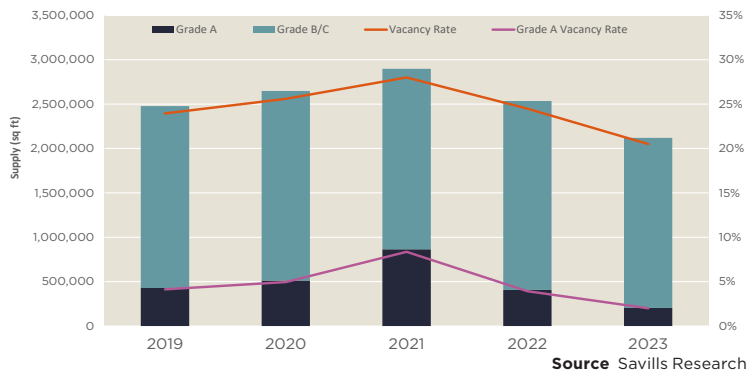
### Take-up and supply

Key data points



2023 Q3 take-up surpassed 2023 H1 take-up by 32%

### Supply



Total supply decreased by 9% in Q3 2023 to a total of 2.1 million sq ft. This means that total supply is now 19% below the five-year average and 16% below the 2022 level, showing movement in the market.

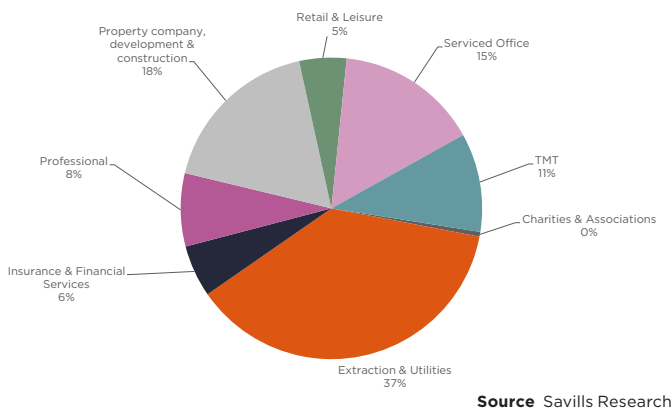
The Grade A supply level for the market decreased by 50% during the same period, standing at 204,534 sq ft at quarter end.

The total vacancy rate for Aberdeen has fallen to 20.5%. However, more interestingly, the Grade A vacancy rate has fallen to just 2% at the end of Q3, highlighting the lack of Grade A space within the market.



29 Completed transactions in Q3 2023 which was 70% above the long-term Q3 average

### Take-up by business sector



Continuing the trend seen in the first half of the year, 'Extraction & Utilities' accounted for the largest proportion of take-up in Q3, with 37% of the total. The sector was made up of 11 deals with the largest being a sub let to Odfjell Technology (UK) Limited at Prime View, Prime Four Business Park, which totalled 19,000 sq ft.

Furthermore, the 'Property Company, Development & Construction' sector accounted for the second largest proportion with 18% of the total. The largest deal for the sector was the 21,000 sq ft acquisition by Troubadour Management at Elrick House.

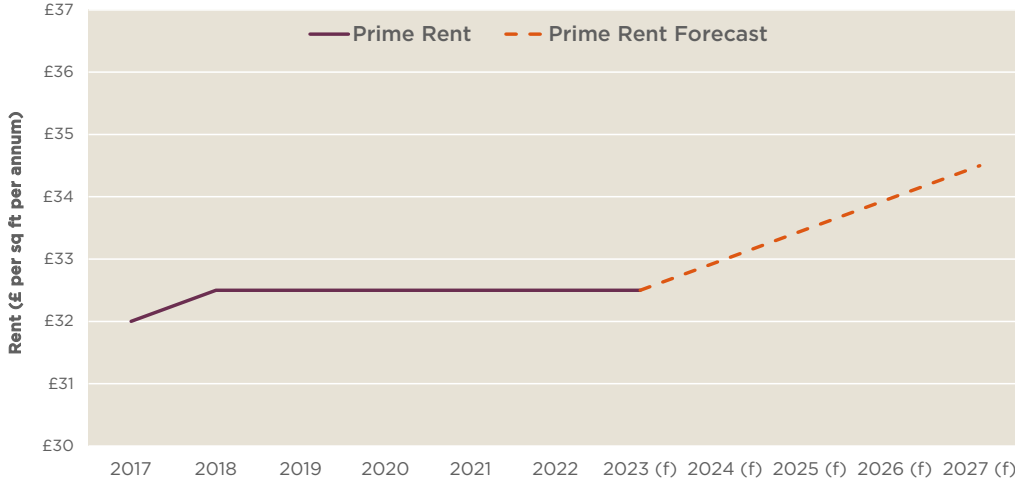


21,000 sq ft The largest letting in Q3 2023 to IWG at Pavillion one, Westpoint Business Park



37% Grade A transactions in Q3 2023 were from 'Extractions and Utilities' occupiers

## Rents



Source Savills Research

There was no change in the Prime rent in Q3 2023, with top rent standing at £32.50 per sq ft. This is unlikely to increase in Q4 2023, therefore plateauing since 2018. However, Savills is predicting rental growth in the next 4 years with most recent forecasts projecting a 2% increase to £33 per sq ft in 2024 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 Q3 2022	Comparison to Q3 2019
Take-up Q3 2023 (sq ft)	141,431	+195%	+15%
Grade A Take-up Q3 2023 (sq ft)	67,112	+646%	+665%
Deal Count Q3 2023	29	+53%	+26%
Average Deal Size (median) (sq ft)	23,572	+97%	+15%
10-Year Average Q3 Take-Up (sq ft)	154,510	-	-
Q3 Supply (sq ft)	2,123,758	-15%	-20%
Q3 Grade A Supply (sq ft)	204,530	-67%	-48%
Prime rent (£ per sq ft per annum)	£32.50	No change	No change

Source Savills Research

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