

Aberdeen Occupational Office Data Q4 2022



Aberdeen Office Market Round Up

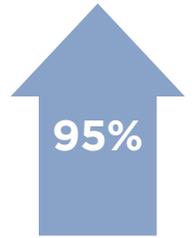
Take-up



Take-up for the Aberdeen market totalled 385,000 sq ft spread across 56 completed lettings in 2022. This represented a 95% improvement on 2021 and total deal count was 24% up on the five-year average for the market.

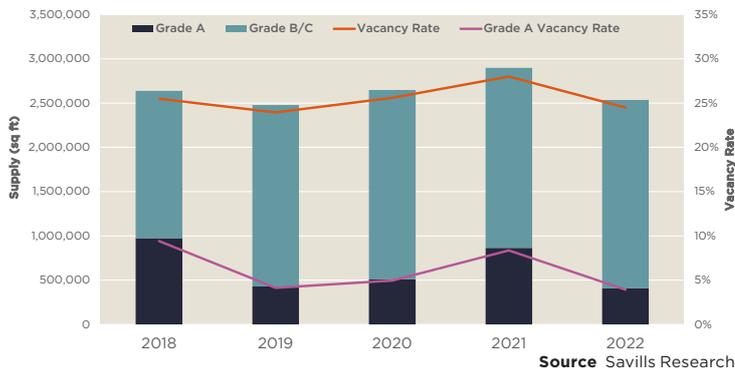
Grade A take-up in 2022 was 190,000 sq ft which equated to 49% of the take-up. This was 14% up on the five-year average Grade A proportion. The largest Grade A letting was the 100,000 sq acquisition by Shell at the Silver Fin building, which was the largest deal in Aberdeen since 2020.

Take-up and supply Key data points



2022 take-up represented a 95% increase on 2021

Supply



Total supply decreased by 10% in 2022 to a total of 2.5 million sq ft at year end. The Grade A supply level for the market decreased by 53% during the same period, standing at 405,000 sq ft at the end of 2022.

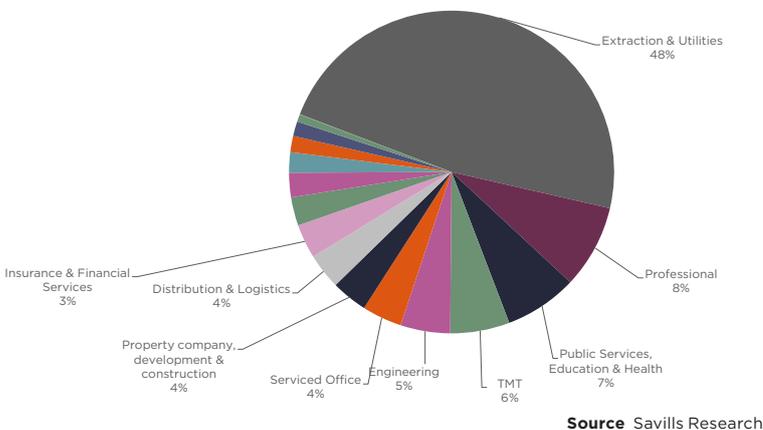
The total vacancy rate for Aberdeen fell 370 basis points in 2022 to 24.5%. Grade A vacancy rate fell 450 basis points to 3.9% at year end.



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Completed Grade A transactions in 2022. This is a 133% increase on 2021

Take-up by business sector



'Extraction and Utilities' was comfortably the most active sector in 2022, accounting for 48% of total take-up. This included Shell's 100,000 sq ft acquisition which turned out to be one of just five lettings over 100,000 sq ft in all of the regional markets in 2022.

Elsewhere, the 'Professional' sector was the second most active, accounting for 8% of total take-up. The largest deal in the sector was the 9,500 sq ft Grade A letting to Burness Paull at Marischal Square.

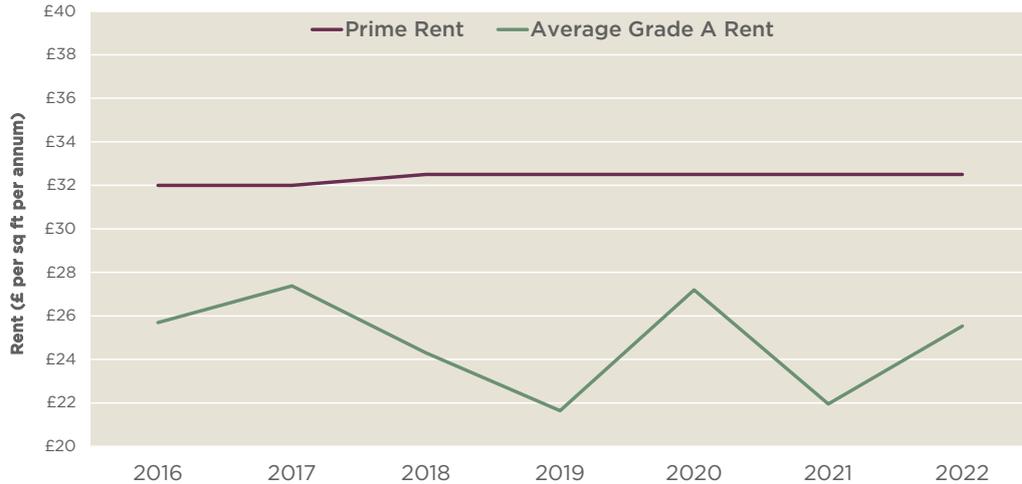


100,000 sq ft
Largest deal in 2022



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

Rents



Source Savills Research

There was no change in the prime rent in 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 2022, average Grade A rent increased to £25.53 per sq ft, closing the gap between Prime and Average Grade A rent in the market.

Drivers For Growth



52%

Working age population with a NVQ level 4 or above qualification



229,000

Current population in Aberdeen



4th

In the UK for fewest poor air quality days a year

Source Centre for Cities

Key Market Data

	Data	Comparison to 2021	Comparison to 2019
Take-up 2022 (sq ft)	385,583	+95%	-25%
Grade A Take-up 2022 (sq ft)	190,507	+138%	-17%
Average Deal Size (median) (sq ft)	2,589	+27%	-6%
10-Year Average Take-Up (sq ft)	471,116	-	-
5-Year Average Take-Up (sq ft)	381,386	-	-
Q4 Supply (sq ft)	2,534,628	-10%	+2%
Q4 Grade A Supply (sq ft)	406,658	-53%	-5%
Years of Supply*	6.6	-	-
Prime Rent	£32.50	No change	No change

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

Source Savills Research

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