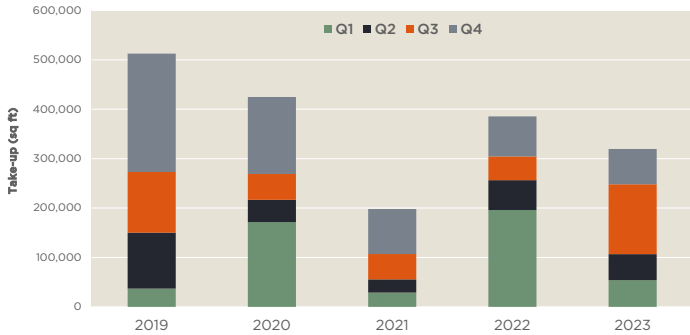


Aberdeen Occupational Office Data Q4 2023



Aberdeen Office Market Round-Up

Take-up

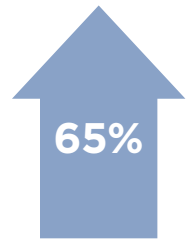


Source Savills Research

Take-up in the final quarter of 2023 totalled 71,000 sq ft across 12 deals done, which was 12% down on Q4 2022. However, H2 saw its highest total take-up since 2019 and was 65% higher than H2 2022. This was largely due to three deals that were over 20,000 sq ft.

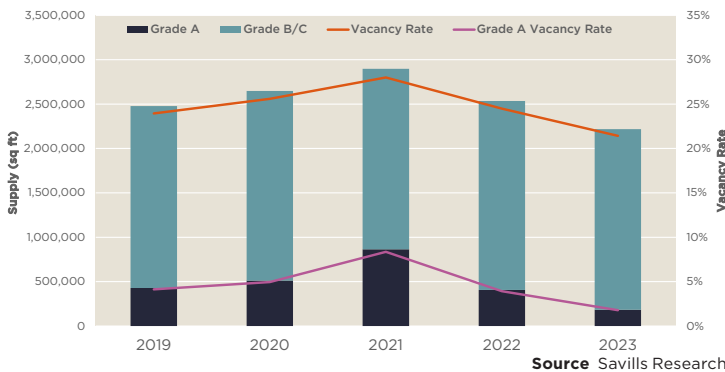
Grade A take-up amounted to 59,000 sq ft in Q4, a 96% increase on Q4 2022 and the largest take-up total since Q4 2020. Grade A Q4 take-up accounted for 82% of the overall total, the highest percentage of take-up on record.

Take-up and supply Key data points



H2 take-up highest since 2019 and 65% higher than H2 2022

Supply



Source Savills Research

Availability in Q4 2023 increased marginally by 4%, to a total of 2.2 m sq ft, however this is still 13% lower than the same period in 2022. Total vacancy rates currently stand at 21.4%, down from 24.5% in Q4 2022.

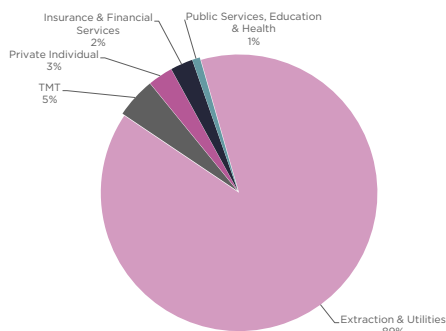
Grade A availability currently stands at 184,000 sq ft, 55% below the total in 2022, further highlighting the lack in supply for best-in-class space. Subsequently, this means that the Grade A vacancy rate is the second lowest of the regional cities at 1.8%.



12

Completed transactions in Q4 2023

Take-up by business sector



Source Savills Research

The most active sector during Q4 was the 'Extraction & Utilities' sector, which leased a total of 63,000 sq ft, representing 89% of the overall total. This was across seven deals, the largest of which saw Harbour Services Ltd acquire 35,000 sq ft of space at Unit 9, Prime Four Business Park. This was the sectors largest take-up since Q1 2022.

The second most active sector was the 'TMT' sector who leased a total of 3,000 sq ft across two transactions, accounting for 5% of the total. The largest of these deals was 1,800 sq ft in which Shiny Networks Ltd acquired 21 Mid Stocket Road.



35,000 sq ft

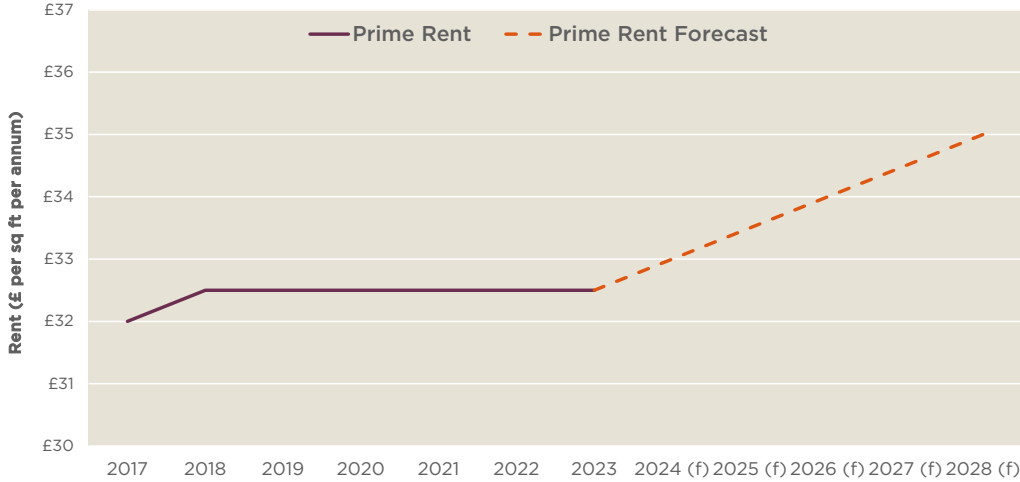
The largest letting in Q4 2023 to Harbour Energy Services Ltd, Unit 9, Prime Four Business Park



89%

Grade A transactions in Q4 2023 were from 'Extraction and Utilities' occupiers

Rents



Source Savills Research

There was no change in the Prime rent in Q4 2023, with top rent standing at £32.50 per sq ft. However, it is expected that there will be a 2% increase in Prime rents to £33 per sq ft by the end of 2024. Savills is also predicting rental growth in the next five years with most recent forecasts projecting a 2% increase to £33 per sq ft in 2024 with further growth of 8% to £35 per sq ft expected by the end of 2028.

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 Q4 2022	Comparison to Q4 2019
Take-up Q4 2023 (sq ft)	71,432	-12%	-70%
Grade A Take-up Q4 2023 (sq ft)	58,521	+96%	-68%
Deal Count Q4 2023	12	-43%	-57%
Average Deal Size (median) (sq ft)	2,646	-13%	-44%
10-Year Average Q4 Take-Up (sq ft)	101,440	-	-
Q4 Supply (sq ft)	2,216,399	-13%	-11%
Q4 Grade A Supply (sq ft)	184,098	-55%	-57%
Prime rent (£ per sq ft per annum)	£32.50	No change	No change

Source Savills Research

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