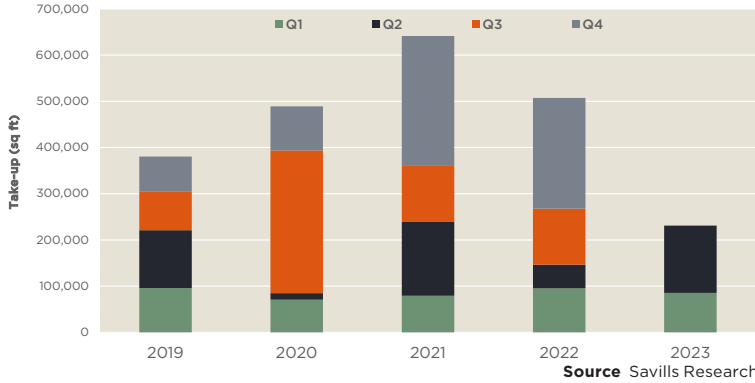


Edinburgh Occupational Office Data H1 2023



Edinburgh Office Market Round-Up

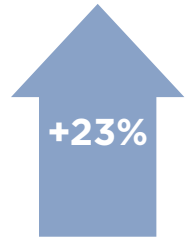
Take-up



H1 2023 take-up totalled 230,000 sq ft. This was 23% above the five-year H1 average for the market. Take-up was spread across 66 completed transactions which was up on the 10-year average H1 deal count by 18%.

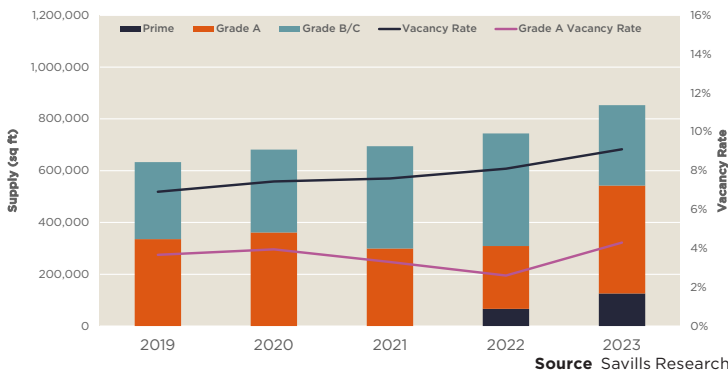
Grade A take-up was just under 115,000 sq ft which accounted for 50% of the overall total in H1. There were 16 completed Grade A transactions, the largest being the 28,000 ft letting to Analog Devices at 2 Freer Street.

Take-up and supply Key data points



H1 2023 take-up was 23% up on the five-year H1 average

Supply



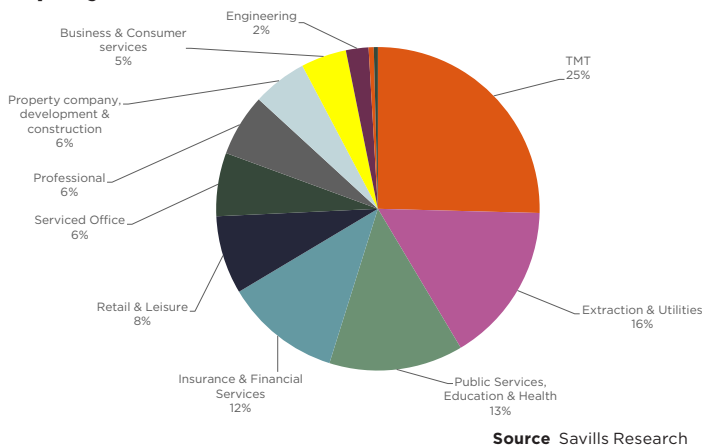
Total availability stood at 830,000 sq ft at the end of H1 2023. This represented a 12% increase on the Q4 2022 total. However, supply is still 20% below the 10-year average for Edinburgh city centre.

Prime supply increased to 125,000 sq ft at the end of H1. This was due to 116,000 sq ft of tenant space at 6 St Andrews Square becoming available in the first six months of 2023. Savills still considers the Prime end of the market to be undersupplied, with just 0.5 years of availability based on average Grade A demand.



H1 2023 deal count was 18% up on the five-year H1 average

Take-up by business sector



The 'TMT' sector was the most active in terms of take-up in H1 2023, accounting for 25% of total take-up. The sector was also the most active from a deal count perspective with 12 transactions including the 28,000 sq ft Prime letting to Analog Devices at 2 Freer Street.

Elsewhere, 'Extraction & Utilities' was the second most active sector with 37,000 sq ft of demand accounting for 16% of take-up. This was a notably strong performance for the sector which has already surpassed its annual total achieved in 2022 by 40%.

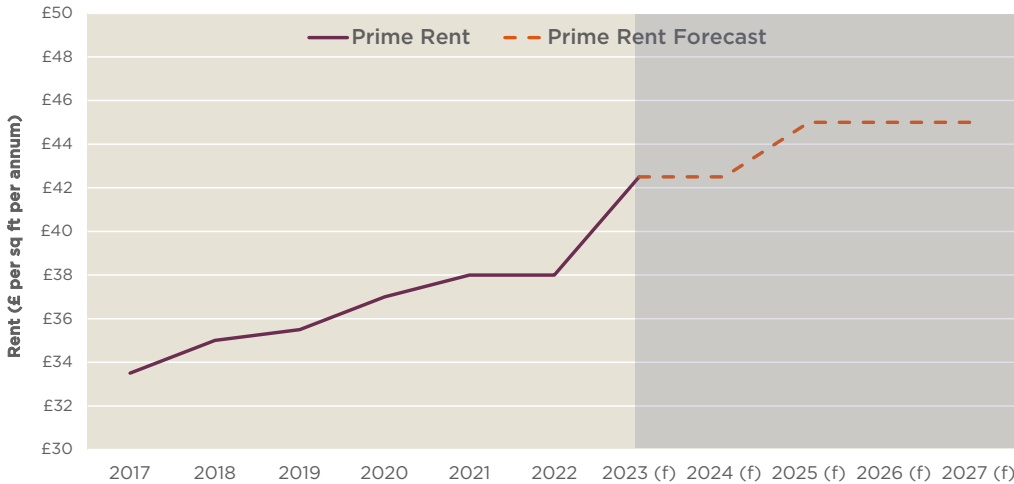


H1 2023 'Extraction & Utilities' has surpassed the 2022 annual total by 40%



28,000 sq ft
Largest transaction in H1 2023

Rents



Source Savills Research

There was a 9% increase in the Prime rent in Q2 2023, which currently stands at £42.50 per sq ft. This established Edinburgh as having the joint highest rent in the UK Big 6 markets alongside Bristol. Looking at the further growth prospects, the five-year outlook for the market is optimistic with latest forecasts predicting that the prime rent will be at or above £45 per sq ft by the end of 2027.

Drivers For Growth



6%

Expected GVA growth over the next five years



3%

Expected office-based employment increase over the next five years



4,750

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

Source Oxford Economics

Key Market Data

	Data	Comparison to H1 2022	Comparison to H1 2019
Take-up H1 2023 (sq ft)	231,101	+58%	+5%
Grade A Take-up H1 2023 (sq ft)	115,002	+59%	+13%
Deal Count H1 2023	66	+29%	-3%
Average Deal Size (median) (sq ft)	2,521	+63%	+72%
5-Year Average H1 Take-Up (sq ft)	187,675	-	-
H1 Supply (sq ft)	829,913	+10%	N/A*
H1 Prime Supply (sq ft)	125,996	N/A**	N/A**
Prime rent (£ per sq ft per annum)	£42.50	+12%	+21%

* H1 2019 supply data unavailable

** historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

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