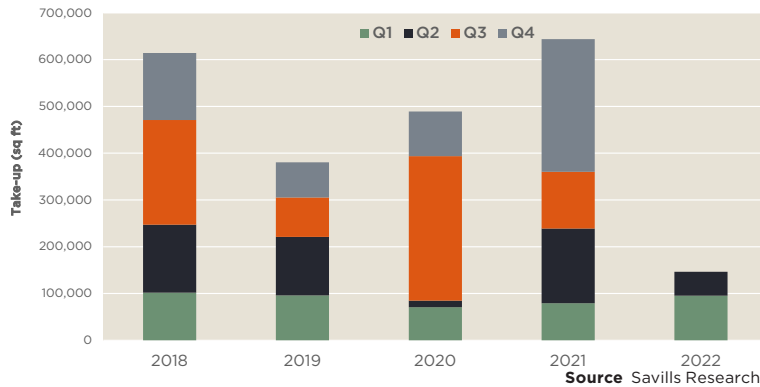


Edinburgh Occupational Office Data H1 2022



Edinburgh City Centre Office Market Round-Up

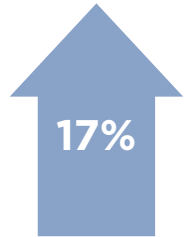
Take-up



H1 2022 take-up totalled 146,377 sq ft for the Edinburgh city centre market. Take-up was made up of 51 transactions, the largest of which were the 16,000 sq ft acquisition by Shoosmiths and 15,000 sq ft acquisition by Dentons at Haymarket Square. Savills was involved in both of these deals.

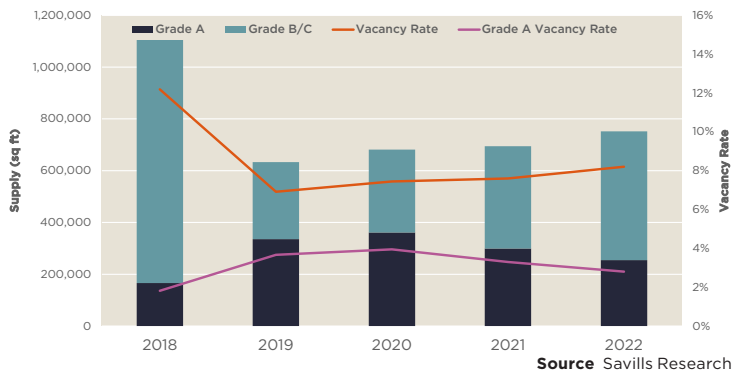
Grade A lettings, totalling 72,433 sq ft, accounted for 49% of overall take-up in Q1 2022, which was 13% higher than the H1 2021 Grade A take-up proportion of 36%.

Take-up and supply Key data points



Increase in Professional take-up compared to 2021

Supply



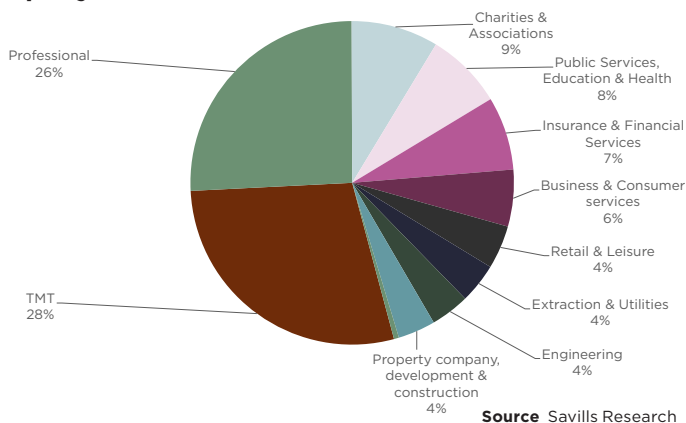
Total existing supply (excluding pipeline) at the end of H1 stood at 752,000 sq ft. Of this total, approximately 255,000 sq ft was Grade A, albeit much of this is dated and out of keeping with modern office requirements. Of total availability, Savills considers only 95,000 sq ft of this to be prime.

On this basis, the prime vacancy rate stands at 1.05% and total Grade A availability at 2.8%



80%
Increase in completed Grade A transactions compared to H1 2021

Take-up by business sector



The 'TMT' sector was the most active in H1 2022, accounting for 28% of overall take-up. The largest transaction was the 12,000 sq ft Grade A letting to Dukosi at 1-7 Exchange Crescent.

Elsewhere, the 'Professional' sector was the second most active sector in H1 2022, recording 38,000 sq ft of take-up which equated to 26% of the overall total. This is a positive return for the given that it only recorded 9% of total take-up in 2021.

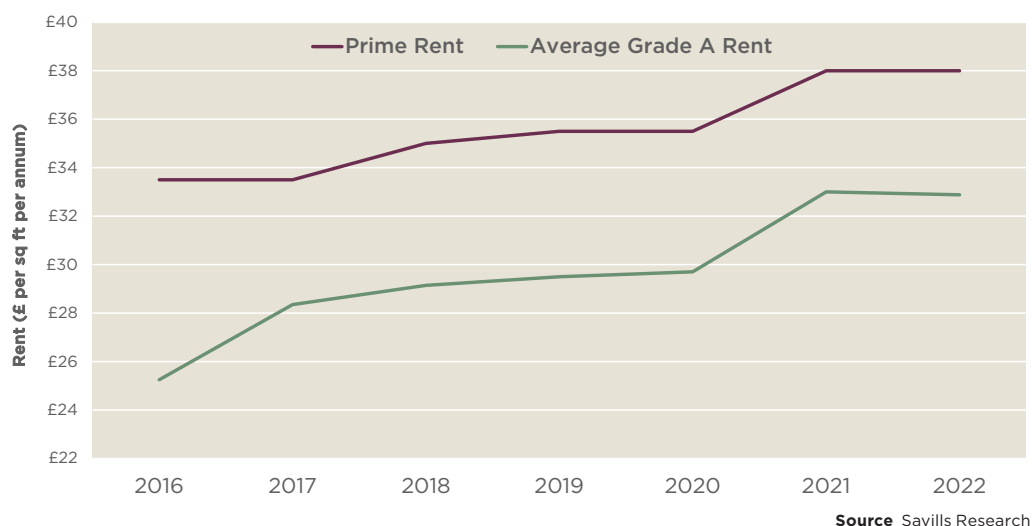


16,400 sq ft
Largest transaction in H1 2022



8
'TMT' transactions in H1 2022

Rents



There was no increase in the prime rent in H1 2022 which currently stands in excess of £38 per square foot, although this is in part due to stock issues. That being said, the prime rent did grow by 7% in 2021 and has increased by 13% since 2016. Average Grade A rents have also grown significantly since 2016. In H1 2022 the average Grade A rent was £32.88 per square foot, which was 11% above the pre-pandemic 2019 Grade A average of £29.50 per square foot.

Drivers For Growth



11%

Expected GVA growth over the next five years



6%

Expected office-based employment increase over the next five years



6,910

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

Source: Oxford Economics

Key Market Data

	Data	H1 2021 comparison
Take-up H1 2022 (sq ft)	146,377	-39%
Grade A Take-up H1 2022 (sq ft)	72,433	-15%
Average deal size (median) (sq ft)	1,548	-23%
10-Year Average H1 Take-Up (sq ft)	292,614	-
5-Year Average H1 Take-Up (sq ft)	266,030	-
H1 Supply (sq ft)	751,976	-4%
H1 Grade A Supply (sq ft)	254,613	-36%
Years of supply*	1.3	-
Prime rent	£38+	+7%

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

Source: Savills Research

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