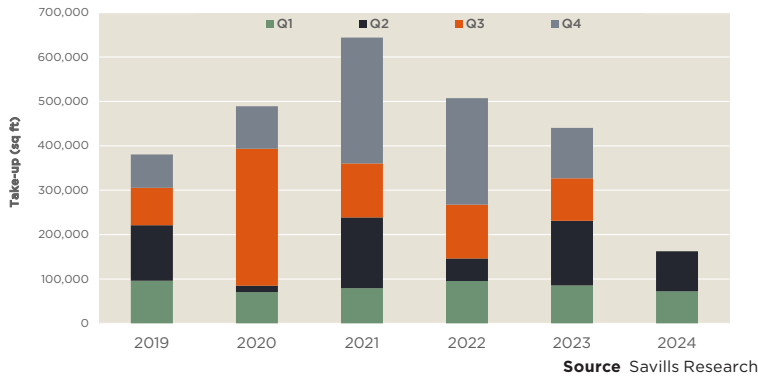


Edinburgh Occupational Office Data H1 2024



Edinburgh Office Market Round-Up

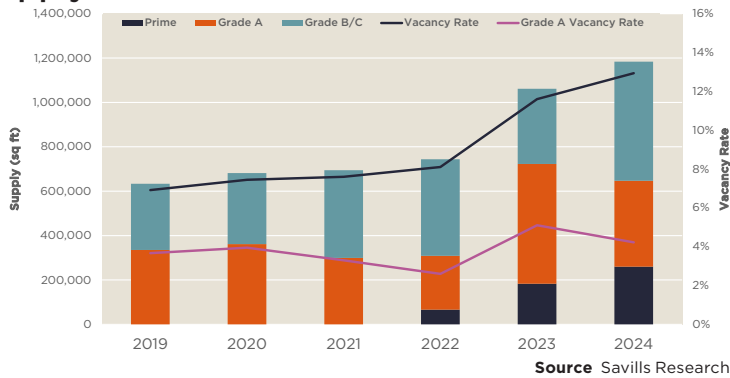
Take-up



Edinburgh city centre Q2 2024 take-up amounted to 90,000 sq ft across 27 deals done. Although this was 9% below the five-year Q2 average, it was 25% higher than the previous quarter, providing market optimism for the remainder of 2024. Q2 brought the half-year total to 163,000 sq ft, with 53 transactions during this period.

Grade A and Prime take-up in Q2 totalled 49,000 sq ft, which was 5% higher than the five-year Q2 average. H1 2024 combined total for Grade A and Prime was 79,000 sq ft, which was only 1% below the five-year H1 average.

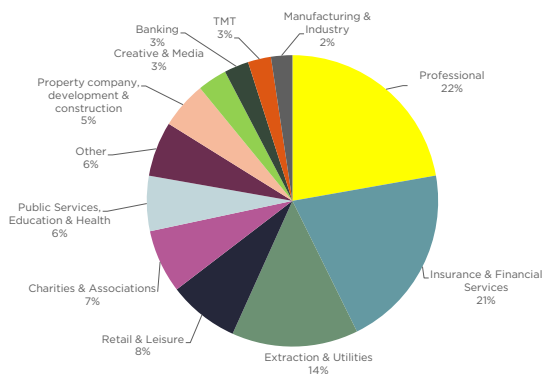
Supply



Availability at the end of H1 2024 stands at 1.2 million sq ft, slightly above the previous quarter, with the overall vacancy rate currently standing at 12.9%.

Of this total, Prime Grade A space only accounts for 116,000 sq ft, with 75% of this under offer, and only a further 144,000 sq ft due to be delivered in the next six months with much of this already under offer. There is no further deliverable development after that date (funded, planning and build contract placed).

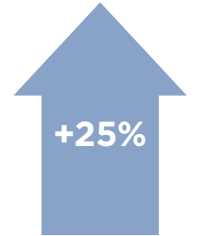
Take-up by business sector



The most active sector during H1 2024 was the 'Professional' sector, which leased a combined total of 36,000 sq ft, therefore accounting for 22% of the overall total. With 13 transactions done, this was the highest number in H1 for the sector on record. The largest deal was acquired by Azets Holdings for a total of 13,000 sq ft.

Another notable sector during H1 was the 'Insurance & Financial' sector, accounting for 21% with a total of 33,000 sq ft. The sector saw eight deals, with the largest acquired by Hymans Robertson at 30 Sempole Street, totalling 15,000 sq ft.

Take-up and supply Key data points



Q2 2024 take-up was 25% higher than the previous quarter



13,000 sq ft
Largest transaction in Q2 2024 at Quay 2, acquired by Azets Holdings

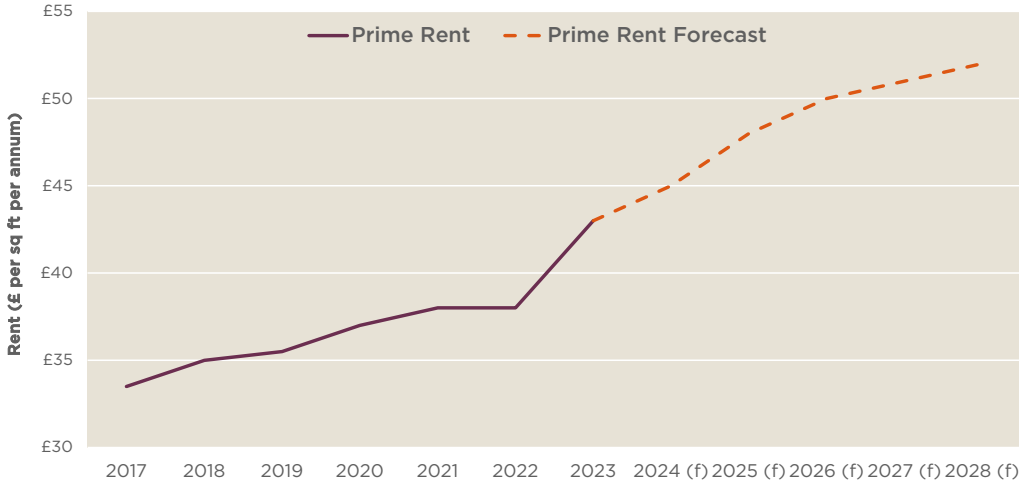


Grade A vacancy rate decreased to 4.2% at the end of H1 2024



53
Completed transactions in H1 2024

Rents



Source Savills Research

While there was no official increase in the Prime headline rent of £43 per sq ft in Q2 2024, we understand that a number of deals that are subject to confidentiality agreements have concluded at £45 per sq ft, with more transactions at this level in the pipeline. Looking at the further growth prospects, the five-year outlook for the market is optimistic with Savills predicting that the prime rent will be at or above £52 per sq ft by the end of 2028, representing a 21% increase on current rental levels.

Drivers For Growth



16%

Expected GVA growth over the next ten years



8%

Expected office-based employment increase over the next ten 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 2023	Comparison to H1 2019
Take-up H1 2024 (sq ft)	162,570	231,101	221,028
Grade A Take-up H1 2024 (sq ft)	79,397	115,002	101,953
Deal Count H1 2024	53	66	68
Average Deal Size (median) (sq ft)	1,673	2,521	1,464
10-Year Average H1 Take-Up (sq ft)	283,184	-	-
Q2 Supply (sq ft)	1,183,871	829,913	1,391,038
Q2 Prime Supply (sq ft)	260,070	125,996	N/A*
Prime rent (£ per sq ft per annum)	£43+	£42.50	N/A*

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

Source Savills Research

Savills team

Please contact us for further information

Mike Irvine

Director
Office Agency
0131 247 3817
mike.irvine@savills.com

Kate Jack

Surveyor
Office Agency
07815 032 092
kate.jack@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

Jack Edwards

UK Office Analyst
Commercial Research
07977 293 430
jack.edwards@savills.com

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

