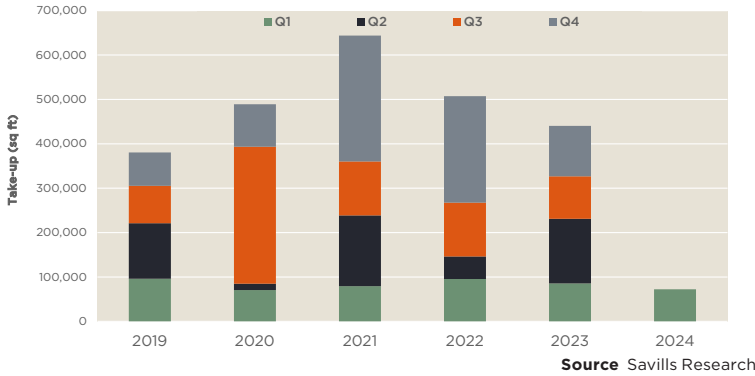


Edinburgh Occupational Office Data Q1 2024



Edinburgh Office Market Round-Up

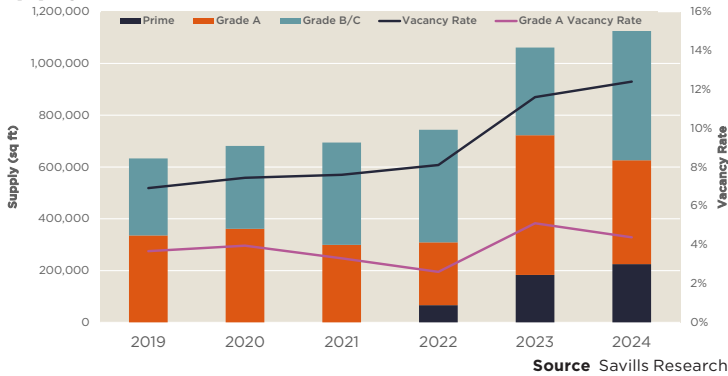
Take-up



Q1 2024 take-up in Edinburgh totalled 72,000 sq ft across 26 deals. This was 15% down on both Q1 2023 and on the five-year average. However, the number of deals was only 10% lower than Q1 2023, with 23 of these under 5,000 sq ft, demonstrating a continuation of occupiers preference towards smaller office space.

Grade A and Prime accounted for 42% of the take-up, at a total of 30,000 sq ft. This was marginally below the Grade A take-up for the same period in 2023.

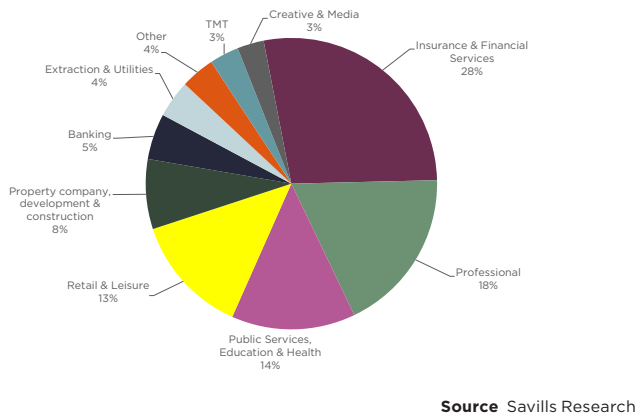
Supply



Availability increased in Q1 2024 by 7% to a total of 1.1 m sq ft, with the vacancy rate increasing by 40 basis points to 12%. This can partly be attributed to five floors of 30 Semple Street totalling 42,000 sq ft coming into the availability total.

Grade A availability decreased in Q1 to a total of 500,000 sq ft. This represented a 26% decrease on the total at the end of 2023, and is now 35% of the total. Therefore the Grade A vacancy rate has decreased to 4.4%, a decline of 70 basis points. Meanwhile, Prime availability increased slightly to a total of 225,000 sq ft, which is 20% of the total.

Take-up by business sector



The most active sector in Q1 2024 was the 'Insurance and Financial Services' sector which has been a prominent driver of the market over the last five years. The sector accounted for 28% of the total by leasing 20,000 sq ft of space across 6 deals. The largest deal of the sector was by Hymans Robertson, who acquired 15,000 sq ft at 30 Semple Street, and was also the largest deal of the quarter.

Furthermore, the 'Professional' sector was the second most active in the quarter leasing 13,000 sq ft, therefore accounting for 18% of the total. The largest deal of the sector totalled 10,000 sq ft at 4 Holyrood Road, which was acquired by SLR Consulting.

Take-up and supply Key data points



23 of the quarters transactions were for sub 5,000 sq ft space



15,000 sq ft
Largest transaction in Q1 2024 at 30 Semple Street

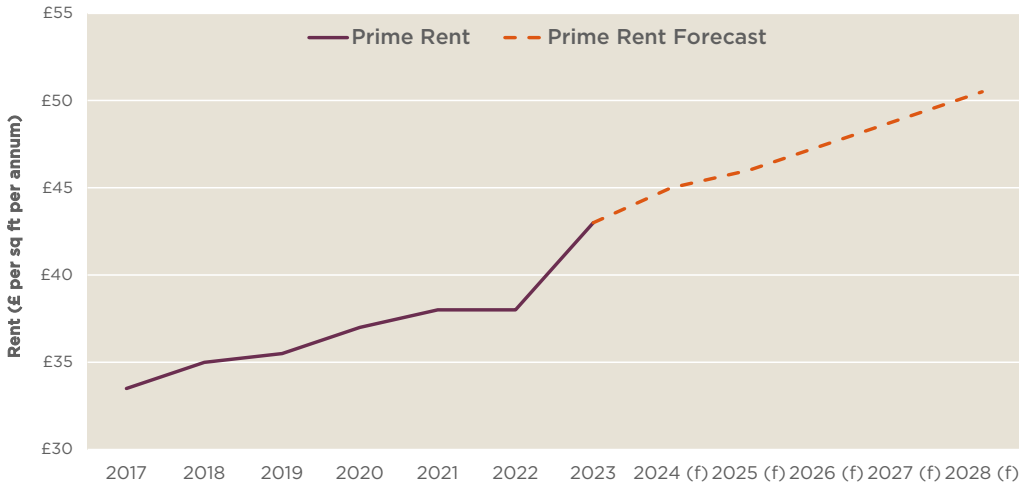


Grade A vacancy rate decreased to 4.4%



26
Completed transactions in Q1 2024

Rents



Source Savills Research

There was no increase in the Prime rent in Q1 2024, which currently stands at £43 per sq ft, with the rent 6% above the Q1 2023 Prime rent. This has now established Edinburgh as having the joint second highest rent in the UK Big 6 markets alongside Manchester. 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 £50.50 per sq ft by the end of 2028, representing a 17% increase.

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 Q1 2023	Comparison to Q1 2019
Take-up Q1 2024 (sq ft)	72,296	-15%	-25%
Grade A Take-up Q1 2024 (sq ft)	30,246	-13%	-36%
Deal Count Q1 2024	26	-10%	-13%
Average Deal Size (median) (sq ft)	1,658	-33%	+40%
10-Year Average Q1 Take-Up (sq ft)	126,530	-	-
Q1 Supply (sq ft)	1,137,763	+7%	+7%
Q1 Prime Supply (sq ft)	225,013	+22%	N/A*
Prime rent (£ per sq ft per annum)	£43	+6%	N/A*

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

Source Savills Research

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